

Legislative Assembly of Alberta

Title: **Monday, May 14, 2001**

1:30 p.m.

Date: 01/05/14

[The Speaker in the chair]

Prayers

THE SPEAKER: Good afternoon and welcome back. At the conclusion of today's prayer please remain standing for the singing of our national anthem.

Let us pray. At the beginning of this week we ask You, Father, to renew and strengthen in us the awareness of our duty and privilege as members of this Legislature. We ask You also in Your divine providence to bless and protect the Assembly and the province we are elected to serve. Amen.

Hon. members and all of our visitors here today, please join us in the singing of our national anthem. We'll be led by Mr. Paul Lorieau.

HON. MEMBERS:

O Canada, our home and native land!
True patriot love in all thy sons command.
With glowing hearts we see thee rise,
The True North strong and free!
From far and wide, O Canada,
We stand on guard for thee.
God keep our land glorious and free!
O Canada, we stand on guard for thee.
O Canada, we stand on guard for thee.

THE SPEAKER: Please be seated.

Introduction of Visitors

MR. KLEIN: Mr. Speaker, it gives me a great deal of pleasure today to introduce a good friend and a former colleague. It is my pleasure to introduce to you and through you to all Members of the Legislative Assembly the hon. Gary Filmon, the former Premier of Manitoba. I would ask Gary to stand and receive the warm welcome of the Legislature.

THE SPEAKER: The hon. Member for Edmonton-Glenora.

MR. HUTTON: Thank you, Mr. Speaker. I would like to introduce to you and through you a very special guest that is sitting in your gallery this afternoon. She is a great athlete and a friend, and we have trained thousands of kilometres together. Yesterday in Ottawa Sandy Jacobson became the first Edmonton member of Team Canada for the Worlds to be held in this great city in August. She'll be running the marathon for our country. Sandy accomplished this great feat while doing a full-time job, being a good mother and a wife, as well as guest lecturing on sports psychology across this country for Running Room Canada. Sandy is certainly made of all the right stuff. Joining her today is her mother, Eloise Leckie. I would ask both of them to please rise and receive the warm congratulations and warm welcome of this Assembly.

THE SPEAKER: The hon. Member for Banff-Cochrane.

MRS. TARCHUK: Thank you, Mr. Speaker. I'm pleased to introduce to you and through you to members of the Assembly members of the CCAF international fellowship program. The fellowship program is sponsored by the Canadian International Development Agency and implemented in collaboration with the

office of the Auditor General of Canada, the office of the Auditor General of Quebec, and the Canadian Comprehensive Auditing Foundation.

Seated in the Speaker's gallery is Alberta's Auditor General, Peter Valentine, who is hosting the group as part of their visit to western Canada. Also hosting is Mrs. Donna Bigelow, program coordinator, international affairs, office of the Auditor General of Canada.

Joining them is Mr. Leonardo Etcheverry from Argentina; Leonardo is a supervisor in the office of the Auditor General of Argentina. Mr. Horacio Vieira from Brazil: the court of accounts in Brazil has nine ministries and three deputy ministries, and Horacio is the head of the office of one of the deputy ministries. Ms Ximena Mura Alvarez from Chile: Ximena supervises and participates in financial audits as well as audits of special projects financed by the World Bank and the Interamerican Development Bank in the sectors of education, health, economy, and environment. Mr. Bato Ali from the Philippines: Bato is a state auditor of the Philippine Commission on Audit. Ms Nafy Keita from Senegal: Nafy has worked for the government of Senegal for 20 years in various fields and positions; since 1998 she has worked as a senior inspector in the office of the inspector general. Mrs. Jaruwan Ruangswadipong from Thailand: Jaruwan is the director of the human resources development section in the office of the state auditor of Thailand.

Mr. Speaker, I would now ask them to rise and receive the traditional warm welcome of the Assembly.

Presenting Petitions

THE SPEAKER: The hon. Member for Edmonton-Centre.

MS BLAKEMAN: Thank you very much, Mr. Speaker. I'd like to present a petition signed by 92 individuals living throughout Edmonton, Calgary, and Sherwood Park. They are petitioning the Legislative Assembly "to urge the Government of Alberta to put in a system of rent control."

Thank you.

Reading and Receiving Petitions

THE SPEAKER: The hon. Member for Edmonton-Beverly-Clareview.

MR. YANKOWSKY: Thank you, Mr. Speaker. I rise to request that the petition I presented on Tuesday, May 8, be now read and received.

THE CLERK:

We, the undersigned residents of Alberta, petition the Legislative Assembly of Alberta to urge the Government of Alberta to introduce amendments to the Human Rights, Citizenship and Multiculturalism Act to allow Alberta health professionals to opt out of those medical procedures that offend a tenet of their religion, or their belief that human life is sacred.

Introduction of Bills

THE SPEAKER: The hon. Member for Calgary-Lougheed.

Bill 17

Insurance Amendment Act, 2001

MS GRAHAM: Thank you, Mr. Speaker. I request leave to introduce Bill 17, the Insurance Amendment Act, 2001.

This bill amends the unproclaimed Insurance Act in two respects.

Firstly, it will amend the licensing requirement for staff adjusters in the Insurance Act, placing the onus on insurers to be legally responsible for the claims and settlement activities of their employees. It will also include a provision to enable the Finance minister to compel the attendance of witnesses to give evidence on hearings and appeals under the Insurance Act.

Thank you, Mr. Speaker.

[Motion carried; Bill 17 read a first time]

THE SPEAKER: The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. I'd move that Bill 17 be moved onto the Order Paper under Government Bills and Orders.

[Motion carried]

THE SPEAKER: The hon. Minister of Health and Wellness.

Bill 18 Health Professions Amendment Act, 2001

MR. MAR: Thank you, Mr. Speaker. I beg leave to introduce the Health Professions Amendment Act, 2001.

This bill will allow us to resolve some technical issues which were raised during consultations with our stakeholders prior to proclamation of the act.

[Motion carried; Bill 18 read a first time]

Tabling Returns and Reports

THE SPEAKER: The hon. Member for Edmonton-Strathcona.

DR. PANNU: Thank you, Mr. Speaker. I've got two letters, and I'm tabling copies of these letters in the House. They are both addressed to the Premier. The first one is from Mrs. Susan Higgs of Harvie Heights, Alberta, urging the Premier to not proceed with the Spray Lakes sawmills forestry management agreement signing in order to preserve the ecosystems in the area.

The second letter is from Mr. Dean Novak of Calgary, again addressed to the Premier, strongly urging him not to sign away Alberta's precious heritage to Spray Lakes sawmills.

Thank you, Mr. Speaker.

MR. MASON: Mr. Speaker, today I have one tabling. It is a letter from Ms Janet Pringle of Calgary, concerned with poor working conditions of rehabilitation workers and the low level of AISH benefits rates.

1:40

THE SPEAKER: The hon. Member for Edmonton-Riverview.

DR. TAFT: Thank you, Mr. Speaker. I am tabling today the appropriate number of copies of TransAlta's corporate code of conduct policy, which requires that TransAlta employees avoid "real, perceived or potential conflicts of interest."

THE SPEAKER: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Speaker. I have letters today from Mr. Lloyd Lohr of Erskine, Ms Karen Blumhagen of Tofield, and Ms Margaret Coutts on behalf of the Red Deer River Naturalists. They all want the government to designate the Bighorn wildland park as a protected area.

THE SPEAKER: The hon. Member for Edmonton-Glengarry.

MR. BONNER: Thank you very much, Mr. Speaker. I'd like to table today the appropriate number of copies of a presentation by Lieutenant Colonel Dave Grossman, who is one of the world's foremost experts in the field of human aggression and the roots of violence and violent crimes. He's also authored the book *Stop Teaching Our Kids to Kill: A Call to Action Against TV, Movie and Video Game Violence*.

Thank you.

Introduction of Guests

THE SPEAKER: The hon. Minister of Community Development.

MR. ZWOZDESKY: Thank you, Mr. Speaker. I'm very pleased to introduce to you and through you to all members of the Assembly here today 70 visitors, or thereabouts, from Blessed Kateri school, one of many fine schools in the area that I'm privileged to represent. They are here today visiting the Legislature and listening and learning about the legislative system, including participating in the mock Legislature system. They are accompanied today by some very hardworking teachers, including Ms Brigitte Berube, Ms Cathy Bereznicki, Mrs. Moira Lintz, and some equally hardworking parent helpers, Mrs. Dawn Finnigan, Mr. Len McMurrer, Mrs. Nancy Coco, Mr. Lou Caputo, and Ms Trish Burke-Dodds. I would ask all of them to please rise at this time and receive the very warm welcome from all members of the Assembly.

THE SPEAKER: The hon. Minister of Municipal Affairs.

MR. BOUTILIER: Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to members of the Assembly two former colleagues and friends from Fort McMurray, the oil sands capital of the world. It's my opportunity today to introduce the deputy mayor of the regional municipality of Wood Buffalo, the largest municipality, geographically, 68,000 square kilometres. With us today we have Maggie Lent as well as the city and regional manager of the regional municipality, Mr. Dave Putz. I'd ask them both to rise and receive the welcome of the Assembly.

THE SPEAKER: The hon. Member for Calgary-West.

MS KRYCZKA: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to members of this Assembly today two very capable young people who are administering the constituency office of Calgary-West this summer. Keith Marlowe, who's a management student at the U of C, is my office assistant, applying his previous experience as a summer student at Calgary-Mountain View and, of course, with additional responsibilities. Zaria Hamer, my summer student, is a political science graduate from the University of Calgary who volunteered on my recent provincial campaign in Calgary-West and will be certainly learning about politics from the grassroots perspective. I'd like this Assembly to receive them and give them the usual warm welcome as they stand there right now. Keith and Zaria.

Thank you.

THE SPEAKER: The hon. Minister of Health and Wellness.

MR. MAR: Thank you, Mr. Speaker. It gives me great pleasure to introduce to you and through you to members of the Assembly a very special constituent from Edmonton-Glenora. She is the wife of

our hon. Member for Edmonton-Glenora. We are little able to accomplish anything in political life without the support and help of loving family, and I'd ask that Marcy Hutton please rise and receive the warm welcome of this Assembly.

Oral Question Period

THE SPEAKER: First Official Opposition main question. The hon. Leader of the Official Opposition.

Conflict of Interest Court Case

DR. NICOL: Thank you, Mr. Speaker. The Jaber case still raises many questions in Albertans' minds, and this government has done nothing to answer those questions. My first question is to the Minister of Justice and Attorney General. Can the minister tell us how often an entire case is argued in court based purely on an agreed statement of facts?

MR. HANCOCK: Well, Mr. Speaker, it's not a usual occurrence, because in most cases before the criminal courts the facts are not agreed, and in fact one of the main purposes of the court, particularly at the provincial court level, is to prove the facts. However, it is a standard practice where facts are agreed, and in approximately 50 percent of the cases of this nature across the country agreed statements of facts are used. Two of those cases, including one involving a Senator, went to the Supreme Court of Canada on agreed statement of facts. It is an appropriate way to go in appropriate circumstances where facts are agreed.

I'd go on to say, Mr. Speaker, that we encourage our Crown prosecutors to save court time where possible, and in fact the courts admonish prosecutors from time to time to save time where possible by agreeing on facts where it is possible to do so rather than use the court time to prove them.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. To the Premier: given that ministers of the Crown are referred to in the court documents and that thousands of dollars were paid to a senior government official and that continuing public unease surrounds this case, why is the government so reluctant to call a public inquiry to clear the air on the matters involved?

MR. KLEIN: Mr. Speaker, I would suggest that a public inquiry has already been held. First of all, there was a complete and thorough police investigation of this particular case. The evidence was taken to the Crown prosecutor. Charges were laid. A preliminary hearing was held at which evidence was given ostensibly by the prosecution. Enough evidence was gleaned to have the judge send the accused to trial. There was an agreed statement of facts. There was a conviction and a fine of some \$161,000 levied. That, indeed, is tantamount to a public inquiry. There was a full investigation and an open and public court hearing relative to this particular case.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. Again to the Premier. Don't you think the public deserves to know some of the answers to the questions that go beyond the strict legality of this case: how the government was involved, the degree to which they were involved, the frequency of this kind of activity within the government? These kinds of questions need to be asked.

MR. KLEIN: Mr. Speaker, I will repeat. If the hon. leader of the Liberal opposition, the hon. member of the third party, or any other citizen in this province has any evidence or allegations that could be substantiated in any way, shape, or form or even deserve investigation, bring them forward, and I'm sure that the hon. Justice minister and Attorney General will make sure that these matters are thoroughly investigated by the police and that if charges are to be laid, appropriate action will be taken.

THE SPEAKER: Second Official Opposition main question. The hon. Leader of the Official Opposition.

Access to Court Documents

DR. NICOL: Thank you, Mr. Speaker. Last Thursday a member of our staff made a routine inquiry at the courthouse for documents relating to the Jaber case. Within 40 minutes of being at the courthouse, our staff member received a call from an official at Alberta Justice who said: I understand you're looking for copies of court exhibits in the Jaber case. This individual had not been involved in any of our previous contacts with Justice or with the court system. My questions are to the Minister of Justice and Attorney General. Is Alberta Justice alerted as a matter of course when requests are made for access to court documents?

MR. HANCOCK: No, Mr. Speaker. The hon. opposition leader will know that one of his own colleagues had requested by letter from our office copies of the transcripts, which I had previously indicated I would provide to the Member for Edmonton-Highlands, and they also requested exhibits. That request went to the department, and I presume that when the clerk's office made inquiries relative to what should be done with respect to the request for exhibits, those inquiries crossed paths.

1:50

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. Again to the Minister of Justice: why was Alberta Justice almost immediately alerted to the fact that one of our staff members made a routine request for documents in the Jaber case at the courthouse last Thursday when that individual had not been involved in the case and the call was to that person by name, individually?

MR. HANCOCK: Well, Mr. Speaker, as I understand it, what happened in this particular case is that exhibits in preliminary inquiries are not routinely released without the consent of both the Crown and the defence counsel on a case. In this particular case, members of the media had been requesting copies of the exhibits to be released, and in fact there was consent given to release copies of the exhibit to members of the media. That being the case, when the inquiry came from the Official Opposition with respect to their being able to get copies of the exhibit, the person in question at the courthouse contacted the communications department of Justice to determine what to do in that circumstance, seeing as exhibits had already been released to the media under that request.

THE SPEAKER: The hon. leader.

DR. NICOL: Thank you, Mr. Speaker. Again to the Minister of Justice: how many court cases are currently under watch by your ministry?

MR. HANCOCK: Well, Mr. Speaker, we watch of course, in fact

more than watch. We participate in all the criminal ones, and I presume we have a significant interest in a significant number of civil ones, but I wouldn't have the answer to that.

THE SPEAKER: Third Official Opposition main question. The hon. Member for Edmonton-Riverview.

Conflict of Interest Guidelines

DR. TAFT: Thank you, Mr. Speaker. My first question is to the Minister of Transportation. Can he confirm to the Assembly that no senior managers of his department are significant shareholders or have immediate family members who are significant shareholders in companies that contract with his department?

MR. STELMACH: Mr. Speaker, I trust that our senior officials in the Ministry of Transportation follow very closely the guidelines that are set forth by this government.

THE SPEAKER: The hon. member.

DR. TAFT: Thank you, Mr. Speaker. My second question is to the Minister of Infrastructure. Can he confirm to the Assembly that no senior managers of his department are significant shareholders or have immediate family members who are significant shareholders in companies that contract with his department?

MR. LUND: Mr. Speaker, certainly there are conflict of interest guidelines for all senior officials, and the officials in my department would be following those very closely.

THE SPEAKER: The hon. member.

DR. TAFT: Thank you, Mr. Speaker. Given that government guidelines typically would preclude this kind of event, can the minister of health explain to the Assembly why his department tolerates senior managers of the CRHA and their immediate family members being major shareholders in companies that contract to the CRHA?

MR. MAR: Mr. Speaker, this is a very well worn path that leads exactly to nowhere. Health authorities are required to have conflict of interest bylaws that are based on those that apply to all MLAs, including the Member for Edmonton-Riverview. The Health Care Protection Act requires full ownership disclosure of all private facilities seeking a contract with a regional health authority, and reviewing that ownership information is part of the contract review process.

Now, Mr. Speaker, before I had the opportunity to review each and every one of these 34 contracts, including the one that the hon. member is asking about, the Auditor General of this province assessed our approval process and found it to be appropriate. An international company based out of British Columbia also reviewed our approval process and found it to be appropriate. The contracts were reviewed by an independent consultant in the province of British Columbia, and the policy and legal experts in my department also conducted their own review.

Mr. Speaker, this is a tiresome, tiresome line of questions, and it has been asked and answered on a number of occasions in this Assembly.

THE SPEAKER: The hon. Member for Edmonton-Highlands. You have been recognized.

Conflict of Interest Court Case (continued)

MR. MASON: Thank you very much, Mr. Speaker. The agreed statement of facts in the Jaber case alleges that Mr. Jaber did no lobbying in exchange for the \$200,000 which he received . . .

THE SPEAKER: Hon. member, will you please take your place behind your desk. I have no idea where you're going. If I see a twitch from the Sergeant-at-Arms – he carries a sword.

MR. MASON: Thank you very much, Mr. Speaker.

The agreed statement of facts in the Jaber case alleges that Mr. Jaber did no lobbying in exchange for the \$200,000 he received for that purpose from Mr. Naqvi. My question is for the Minister of Justice and Attorney General. If Mr. Jaber took \$200,000 from Mr. Naqvi for the purposes of requesting that the ALCB approve his lease but did nothing for it, why was Mr. Jaber not charged with defrauding Mr. Naqvi?

MR. HANCOCK: Well, Mr. Speaker, the prosecutors are in the habit of working with the police to develop the most serious charges that they can and dealing with the serious charges of the public interest. If in fact there was a concern between Mr. Jaber and Mr. Naqvi as to whether or not anybody got value for money, that is their particular issue. What the Crown is interested in doing is making sure that ethical conduct by senior officials is held to the highest standard, and that's why they prosecuted on the most serious charge that they could, I presume, and achieved a conviction in the case.

MR. MASON: Mr. Speaker, was the minister briefed on the decision as to which charges the government would proceed with against Mr. Jaber?

MR. HANCOCK: Mr. Speaker, I was advised prior to the charges being laid that charges would be laid. I wasn't briefed on which charges would be laid or what counts would be laid but merely advised that charges were being laid and that they would be laid I believe it was within the next day or so.

MR. MASON: Mr. Speaker, was the minister or any other member of the government involved in the decisions as to which charges would be brought against Mr. Jaber?

MR. HANCOCK: No, Mr. Speaker.

THE SPEAKER: The hon. Member for Wainwright, followed by the hon. Member for Edmonton-Gold Bar.

Catholic School Board Boundaries

MR. FISCHER: Thank you, Mr. Speaker. My questions are to the Minister of Learning. During this session the minister has talked about the establishment and the expansion of Catholic school boards. This is a topic of great interest to many school boards and especially our school boards in rural Alberta. Will the minister please clarify the position of the Alberta School Boards Association on the proposed changes?

THE SPEAKER: The hon. minister.

DR. OBERG: Thank you very much, Mr. Speaker. What the Alberta School Boards Association did was convene a committee roughly a year ago to take a look at the whole 4 by 4 process. They then asked

their school boards to have a vote on it and pass the vote on to me. What I must clarify today is that there was no commitment one way or the other to support or not to support. This was quite simply a vote by the member school boards of the Alberta School Boards Association.

THE SPEAKER: The hon. member.

MR. FISCHER: Thank you. With the differing views between the school boards on this issue, what are the benefits of making the proposed changes? For example, would the expanded boundaries provide additional sparsity and distance and transportation funding?

DR. OBERG: Well, Mr. Speaker, I've spoken in this Legislative Assembly before about the 4 by 4 process. It was put in in roughly 1900 or 1901. Quite simply, that process has become antiquated as a way to expand Catholic boundaries. In many situations the number of electors that would be required would be three or four or five.

Just to alert the Assembly as to the extent of this issue, during my term as Minister of Learning, which has been roughly two years, I have personally signed 80 different 4 by 4 proposals. Eighty different 4 by 4 proposals have been put in in the province of Alberta in the last two years. The legislation that is before this House will put an end to that. It will bring forward a solution to the expansion of Catholic boundaries, of separate school boundaries that will be a much better process. It will be a process that will involve consultations with everyone, not just the Catholic electorate. This is a proposal that has the support of the ACSTA.

THE SPEAKER: The hon. member.

MR. FISCHER: Thank you, Mr. Speaker. My final question is again to the minister. Is it true, then, that with these changes a person of Catholic faith will not be able to serve as a member on the public school board?

2:00

DR. OBERG: Well, Mr. Speaker, first of all, as the system is today, that is exactly what happens. A member of the Catholic faith, where there is a Catholic school board, will not be able to serve on the board of a public school system. What will happen under this legislation is that a person will be able to elect whether or not he is a public supporter or a separate supporter. So you could have a Catholic who is a public supporter serve on a public school board, but on a separate school board the elector or the school board trustee must be Catholic.

THE SPEAKER: The hon. Member for Edmonton-Gold Bar, followed by the hon. Member for Redwater.

Electricity Deregulation

MR. MacDONALD: Thank you, Mr. Speaker. When discussing power deregulation with the *Edmonton Journal* editorial board in February of this year, the Premier looked up from his detailed briefing notes with a shrug and said, quote: I have no idea what all this means. End of quote. I hope the Premier can answer my questions regarding approval of electricity exports last fall for TransAlta Utilities. My first question this afternoon to the Premier is: while the Senior Petroleum Producers Association expressed concerns about export approvals coming while Albertans suffer through higher electricity costs, does the Premier not acknowledge that approvals for electricity exports may adversely impact Albertans

by committing them to an increasingly higher price for electricity in places like California?

Thank you.

MR. KLEIN: Well, first of all, Mr. Speaker, this hon. member wasn't in that editorial boardroom, so I don't know on what basis he makes the allegation that I looked from my detailed notes in bewilderment to the editorial board. He wasn't there. If he was there, then tell us how he got in. Or was he listening at the door? Was he eavesdropping? Did he sneak in? [interjections]

THE SPEAKER: The Premier has the floor.

MR. KLEIN: Mr. Speaker, relative to the export of electricity, certainly a number of the major power producers or at least the power producers who hope to bring on major megawatts of new power – and we're talking in excess of 500 megawatts – are looking at having an excess of power in this province. They're looking at the opportunity to export the surplus. But the rules are quite clear. First of all, power companies, as I understand it, must be committed to provide the needs of Albertans. Secondly, they must leave a certain amount of the surplus in this province. Then it is the surplus on the surplus that under certain conditions they can with prior approval export to other jurisdictions.

THE SPEAKER: The hon. member.

MR. MacDONALD: Thank you, Mr. Speaker. Again to the Premier: how will the Premier respond to the submission made to the National Energy Board by the Industrial Power Consumers & Cogenerators Association of Alberta that noted a lack of confidence in the market surveillance administrator's function because of legislative deficiencies?

MR. KLEIN: Mr. Speaker, I'm unaware of any deficiencies relative to the function and the role and the job description for the market surveillance administrator. If the hon. Minister of Energy has any further information he might wish to share, I'll have him respond.

MR. SMITH: Mr. Speaker, the department is doing an industry restructuring review. If there are times when we can make this market function better, this market function more effectively, then of course we will. Although I did note today at noon that power prices were down to \$95.90 per megawatt hour, so we're starting to see progress.

THE SPEAKER: The hon. member.

MR. MacDONALD: Thank you, Mr. Speaker. Again to the Premier: will the Premier please review legislative deficiencies especially concerning the possibility that the Competition Bureau cannot review some matters because of the existence of the market surveillance administrator?

Thank you.

MR. KLEIN: Well, Mr. Speaker, I would have to take it that there is an assumption of a deficiency in the legislation. Certainly we don't mind looking at the legislation to see if, in fact, what the hon. member says is true or if, in fact, there is a deficiency. I haven't examined in any detail whatsoever the legislation as it pertains to the market surveillance administrator. Perhaps, again, the hon. minister has more information he may wish to share.

MR. SMITH: We are examining, Mr. Speaker, the dynamics of the market. If there are legislative deficiencies or market deficiencies or something that has to be changed in the construct of a market, then certainly, with the full input of stakeholders and consumers and those involved in this business, we intend to do so.

THE SPEAKER: The hon. Member for Redwater, followed by the hon. Member for Edmonton-Centre.

Drought Assistance

MR. BRODA: Thank you, Mr. Speaker. The issue of drought has been a hot topic in the news and in this House. I noted that many of my constituents are very concerned about the effect a drought would have on their livelihood. Programs like the recently announced emergency water pumping program have assisted some farmers in accessing water supplies to their livestock, but many of my constituents are prohibited by distance from benefiting from that program and have to haul water supplies of up to 2,000 to 3,000 gallons every second day. My question is to the Minister of Agriculture, Food and Rural Development. Can the minister advise what the government is doing to assist farmers who have to haul water in from alternative sources in order to provide for their livestock?

MRS. McCLELLAN: Mr. Speaker, as we have discussed in this House over the last weeks, this has been a particularly dry year. Alberta farmers are not strangers to drought conditions, but ordinarily it's a regional matter. Unfortunately, this year it seems to be widespread across the province. The member indicated correctly that we have the emergency water pumping program, but in fact many producers do not have a source from which to pump.

I've spent the last several days talking to farmers and ranchers trying to understand what indeed we could do to respond that would be appropriate for their situation. One of the things that we've talked about is solar pumping, but if they can identify a well in a lease, there may be a very high cost to bring power in. We have talked about the opportunity for more dugouts, but that's not going to help right now unless we have a very high rainfall. We're hoping that some of the \$10.29 an acre that we've got coming out to farmers will help them with those hauling costs, but we're going to continue to talk to them and try and find some way to respond in the very short term.

THE SPEAKER: The hon. member.

MR. BRODA: Thank you, Mr. Speaker. To the same minister. There is the PFRA program to assist farmers, but my constituents say that it takes up to six months to get approval for projects. Does the minister have any plans to help farmers develop these projects sooner?

MRS. McCLELLAN: Well, Mr. Speaker, that is an alternative, and we are having discussions between Alberta Environment, the PFRA, and Alberta Agriculture. Certainly I know that our field staff are there and are prepared to help any farmer or rancher with program forms. I think that probably more appropriately we're right now addressing options that can meet the emergency water requirements that producers are facing, and I expect to be able to report back on that very soon.

THE SPEAKER: The hon. member.

MR. BRODA: No final question, sir.

THE SPEAKER: The hon. Member for Edmonton-Centre, followed by the hon. Member for Drayton Valley-Calmar.

Court Fines

MS BLAKEMAN: Thank you, Mr. Speaker. Following on his '94-95 and '98-99 recommendations, the Auditor General in his '99-2000 report again stated that the Department of Justice should report the results and costs of the collection activities for court fines, which bring in about \$85 million a year. The Auditor General further stated:

In 1999, the Department advised us that an action plan would be developed to implement my recommendation. However, as at the end of August 2000, this plan has not . . . been produced.

To the Minister of Justice. My first question is very simple: what is taking so long? It's been six years.

MR. HANCOCK: Well, Mr. Speaker, everything that deals with the question of tracking of payments and those sorts of things involves the redeployment and regeneration of technology. We have a number of priorities for the deployment of technology in the department, and we're systematically dealing with those issues. Maintenance enforcement was deemed to be of a greater priority, and we proceeded with technology in the maintenance enforcement area. We've proceeded with technology with respect to, for example, the JOIN project, which is a question of scheduling and sharing of information. So there are a number of very serious issues relative to information gathering and the use of technology which deploys information. Technology is of course expensive, so we have to prioritize those in the course of which ones we do first.

2:10

THE SPEAKER: The hon. member.

MS BLAKEMAN: Thank you. At this time can the minister give us a date as to when he expects the recommendations of the Auditor General to in fact be implemented?

MR. HANCOCK: No, Mr. Speaker. We do take the Auditor General's recommendations very seriously, and we want to look at how we can best implement them, but we have to do that in the context of the whole need for technology within the department and how we deploy it and the full information technology plan for the department. I can't give an answer today as to what exact date we'll have the system in place to be able to collect the information necessary.

MS BLAKEMAN: Well, Mr. Speaker, with fines coming in as large as, for example, the \$160,000 from the Jaber case . . .

DR. TAFT: How much?

MS BLAKEMAN: A hundred and sixty thousand dollars.

THE SPEAKER: Hon. member, let's proceed with the question.

MS BLAKEMAN: With no apparent controls or results or costs on all of these collections, has the minister considered that this program may be perceived as open to abuse?

MR. HANCOCK: Mr. Speaker, one must differentiate between the question of fine collection and how you track certain fine collections. There are default provisions in place so that if people don't pay major fines, they go to jail. Warrants are issued. There's not a

problem from that perspective. The area that the Auditor General was looking at is more the collection of the smaller fines, out-of-province fines, those sorts of things which are really on the periphery of the process, not the significant fines that are in the centre of the process. There's significant jail time attached to larger fines.

THE SPEAKER: The hon. Member for Drayton Valley-Calmar, followed by the hon. Member for Edmonton-Mill Woods.

Softwood Lumber Trade Dispute

REV. ABBOTT: Thank you, Mr. Speaker. The softwood lumber agreement came to an end on March 31, 2001. Now, this has worried some in the industry including a large forestry products employer in my riding. I'm happy to say that currently business has not been adversely affected due to the booming Alberta economy and high Canadian demand. However, the economic forecast is not good if the U.S. restricts volume or adds costs to exported forestry products. My first question is for the Minister of International and Intergovernmental Relations. Can the minister provide an update on U.S. actions against the province's softwood lumber industry and how long it will take to resolve this situation?

MR. JONSON: Mr. Speaker, I think it's first of all important to note that the complaints are brought by the softwood lumber industry of the United States. They bring these complaints to their government officials, and they examine them over a period of time. It is correct that on April 23 the U.S. regulatory authorities did decide that from their point of view there was the basis to initiate formal negotiations and investigations. These allegations are currently under examination. In Alberta the allegations are focused on our forestry practices, and of course we are defending that very rigorously, because we feel that we have sound forestry practices designed to provide for a sustainable harvest over the life of a particular forest.

I'd like to also note here, Mr. Speaker, that we've had some success in our debate thus far with the authorities in the United States, and a number of the contentions have been dropped. We expect the process will not be completed until the end of this calendar year. I think I should also point out to the member and members of the Assembly that there's also the possibility of a further appeal and a further process under the World Trade Organization structure. So the only specific date that I can give to the hon. member is the end of this year as far as the Canadian process is concerned. It could go on longer through international discussions.

THE SPEAKER: The hon. member.

REV. ABBOTT: Thank you, Mr. Speaker. I guess my next question, then, would be: who is involved in this process? There have been reports that special envoys may be appointed to resolve this dispute. Can the minister tell the House what the province's and Alberta lumber companies' roles may be in these appointments?

MR. JONSON: Well, Mr. Speaker, through the federal government there has been proposed the idea of a special envoy or a special mediator being appointed as far as this particular dispute is concerned. Initially, as I understand it, the federal authorities in the United States were opposed almost automatically to that particular suggestion. However, I understand that there's been some change perhaps in the attitude towards such envoys, and we'll just have to see if this particular type of approach might be looked at more favourably.

THE SPEAKER: The hon. member.

REV. ABBOTT: Thank you. My last question is to the same minister. What is the province's role in funding the softwood lumber defence?

MR. JONSON: Mr. Speaker, the funding for the defence falls into two areas of responsibility. As far as the specific case, the specific practices of particular forest companies, they have to pay for their legal costs in that regard. When it comes to defending the overall policy, the regulations, the measures that the government takes, government at the federal level will be co-ordinating that and providing support.

THE SPEAKER: The hon. Member for Edmonton-Mill Woods.

School Board Boundaries

DR. MASSEY: Thank you, Mr. Speaker. The new government policy with respect to the establishment of school districts continues to raise some questions. My question is to the Minister of Learning. Given that the minister has implied the support of the Alberta School Boards Association, will the minister table documents confirming that support in the Legislature?

DR. OBERG: Mr. Speaker, I believe I clarified that position in an earlier question this period.

THE SPEAKER: The hon. member.

DR. MASSEY: Thank you. To the same minister, Mr. Speaker. Given that Catholic minorities enjoy certain school rights, why are there not similar rights for Protestants when they are a minority in a community?

DR. OBERG: Mr. Speaker, there are under the Constitution rights for the minority religion to have a separate school board. Those rights would still be implied.

THE SPEAKER: The hon. member.

DR. MASSEY: Thank you, Mr. Speaker. Again to the same minister. Given a court decision to the contrary, how can a provincial law give minority-faith members the right to be recognized as supporters of the public system?

DR. OBERG: Mr. Speaker, under this legislation, as I stated earlier, a person who is of the minority faith can be a public supporter if he elects to or a separate supporter if he or she elects to. That is what is included in this, because that's what the people around Alberta asked me for.

THE SPEAKER: The hon. Member for Edmonton-Strathcona, followed by the hon. Member for Calgary-Currie.

Inland Cement Limited

DR. PANNU: Thank you, Mr. Speaker. The government's decision in March to fast-track environmental approval of Inland Cement's application to burn coal rather than natural gas in its cement kilns at its northwest Edmonton plant means that there will not be a full environmental impact assessment done, nor will the project be reviewed by an impartial tribunal like the NRCB. Instead of a comprehensive review, the government is holding a public meeting tonight. Given that converting to coal at this plant will mean that 403 tonnes per day of additional greenhouse gases will go up the

stacks and that daily emissions of such toxic heavy metals as arsenic, chromium, and mercury will go up anywhere between 30 to 80 percent, how can the minister justify not holding a full environmental assessment, including public hearings?

2:20

DR. TAYLOR: Well, Mr. Speaker, the assumption of his first question was that there's not a full public hearing. I can assure you and all members of the opposition that there will be a full public process. That process begins this evening with a public meeting. Once an application is received from Inland – and we do not yet have that – then there will be a full environmental review process, which also allows for public input.

THE SPEAKER: The hon. member.

DR. PANNU: Thank you, Mr. Speaker. Will the minister, then, act on the public concerns raised by area residents about the Inland Cement proposal? Or is tonight's meeting designed to make it appear that the government is listening when in fact the decision to fast-track its approval is final?

DR. TAYLOR: Mr. Speaker, there are about three or four questions in that one question, and I'm not quite sure which one to answer. We are going to the public meeting tonight to listen to the people. We will have several presentations there by people outside government – a scientist from the University of Alberta, a scientist from the Alberta Research Council – to provide input into this public process.

The idea of fast-tracking is totally inaccurate. An environmental review process is not a fast track. It is a total environmental review, just as it says.

THE SPEAKER: The hon. member.

DR. PANNU: Thank you, Mr. Speaker. Will the minister, then, confirm that a fast track is not on?

DR. TAYLOR: Absolutely. We will go through a full environmental review process, Mr. Speaker, as I've already told the member opposite.

THE SPEAKER: The hon. Member for Calgary-Currie, followed by the hon. Member for Edmonton-Glengarry.

Climate Change Central

MR. LORD: Thank you, Mr. Speaker. The two major oil sands production plants now in operation in Alberta are reportedly the fourth largest source of carbon dioxide emissions in Canada now. With the National Energy Board predicting that 70 percent of Canada's total oil production will be coming from Alberta's oil sands deposits by the year 2025 and with an astounding \$38 billion worth of expansion plans already announced since 1996, it is clear that Alberta, which is already one of the major bull's-eyes on the world map for greenhouse gas criticism, will be coming under even more severe worldwide and federal government scrutiny and pressure in the near future, unless substantial success is achieved in reducing our CO₂ emissions. Last week a relatively new organization called Climate Change Central opened in Calgary, and my question is to the hon. Minister of Environment, who I understand co-chairs Climate Change Central. Given the significance of the whole climate change issue to our economy in Alberta, could the minister explain what is the primary mission of Climate Change Central?

THE SPEAKER: The hon. minister.

DR. TAYLOR: Thank you, Mr. Speaker. Just to clarify an initial statement there about Alberta being in the bull's-eye, Canada produces about 2 percent of the world's greenhouse gases, and Alberta produces 25 percent of that. Ontario produces more greenhouse gas than Alberta. But that does not mean that we can be inactive in Alberta.

Climate Change Central was established with the mandate of creating in Alberta a zero-emission society and making Albertans aware of zero emissions and what zero emissions mean. It is not just a government organization. It is an organization that consists of the private sector, it consists of NGOs, and it consists of government as well. In fact, the co-chair of the organization is Mr. David Tuer of PanCanadian. He's the senior executive at PanCanadian.

One other thing I would say is in regards to funding. The provincial government is committed to this organization. We have provided a total of \$7.5 million over the next two years to fund that organization. The private sector is committed as well, Mr. Speaker. For some of the projects that they're doing, their average is: for every \$1 of Climate Change Central money that comes from the provincial government, they have \$4 of private-sector money.

THE SPEAKER: The hon. member.

MR. LORD: Thank you, Mr. Speaker. To the same minister: how does Climate Change Central intend to get their mission or plan off the drawing board and into action in a practical way in the province?

DR. TAYLOR: Well, I appreciate the word "practical" there, Mr. Speaker, because this is a very practical organization. One has to recognize that the organization really just got under way. It did come out of a roundtable on climate change, and it will carry out the recommendations of that roundtable. The chief executive officer was just appointed last fall, and we just opened the office about three weeks ago, so they are on the way. They are just getting up and operational, and you are going to see great things coming out of Climate Change Central. In fact, I was recently at a ministers' meeting, and the rest of the country, including the federal Minister of the Environment, Mr. David Anderson, is excited about what Climate Change Central can do and is excited about Alberta being a leader in this area.

THE SPEAKER: The hon. member.

MR. LORD: Thank you, Mr. Speaker. To the same minister. Given that, figuratively speaking, entrepreneurial vision usually consists of looking for and finding a silver lining in a dark cloud, is the minister confident that there is any real possibility of Albertans being able to turn the dark clouds of Kyoto into black gold instead; in other words, taking this problem we're faced with and turning it into an opportunity?

DR. TAYLOR: Oh, I think there's a huge opportunity. When we look at climate change, we already know it's happening, so we have to look at it from two perspectives. We have to look at it from the perspective of emissions. We also have to look at it from the perspective of adaptive technologies: what are some of the adaptations we can make? There are two quick projects I might refer the Speaker and the House to. One is the . . . [interjections] You know, Mr. Speaker, if the members opposite would like to hear what we're saying and hear some good news, they could be a little quiet.

THE SPEAKER: The hon. minister has been recognized. We're now five minutes into this exchange.

DR. TAYLOR: I'll give you just one, then, Mr. Speaker, one example of a project, and that's a CO₂ sequestration project. The biggest greenhouse gas we produce is CO₂. What do we do with the CO₂? There's considerable research being done on how we handle CO₂, how we can sequester it in underground storage capacity.

THE SPEAKER: The hon. Member for Edmonton-Glengarry, followed by the hon. Member for Calgary-McCall.

Postsecondary Tuition Fees

MR. BONNER: Thank you very much, Mr. Speaker. In a Learning department study 70 percent of postsecondary students indicated that tuition is a major barrier, and many students believe that it is impossible financially to attend a college, institute, or university. My questions are to the Minister of Learning. Will the government review the tuition policy that allows tuition to continue to rise in this province?

THE SPEAKER: The hon. minister.

DR. OBERG: Thank you, Mr. Speaker. First of all, what must be made accurate in what the hon. member said – yes, indeed, there were 70 percent of the people that thought tuition was too high. The other interesting point is that they thought the average tuition was \$5,800, when in actual fact it was \$3,800. So there actually is a perception issue there as it comes to the cost of adult education, the cost of postsecondary education.

I will be looking at the tuition policy not just because the hon. member has asked me that. As you know, the existing tuition policy has a cap of 30 percent on it. We have a couple of institutions in Alberta that have already reached that 30 percent cap, and that was not by raising tuition fees. It was by lowering expenses. The cap is there as an element of the amount of expenses. By lowering the expenses, they reach the cap earlier.

THE SPEAKER: The hon. member.

MR. BONNER: Thank you, Mr. Speaker. To the same minister. Given that regardless of student perception, tuition costs still deter high school students, what will be done about the government's tuition policy?

DR. OBERG: Well, Mr. Speaker, I believe that I just answered that question. We are taking a look at the tuition policy.

THE SPEAKER: The hon. member.

MR. BONNER: Thank you, Mr. Speaker. To the same minister. Given that students with marks in the 65 to 80 percent range are ineligible for many scholarships, what tuition relief is available to them?

DR. OBERG: Well, Mr. Speaker, it's almost impossible for me to answer on each individual student that is out there. There are student loans available if they so need it. Our student loan program is by far the richest in the country; it went up 22 percent this year.

On this line of questioning I must just say one thing because I feel it is imperative that I say it, and that is that on average around the province students pay 23 percent of the actual cost of university.

The other 77 percent is picked up by the government and other funding institutions.

2:30

Bottle Recycling

MR. SHARIFF: Mr. Speaker, I've been hearing from owners of bottle depots and many of my constituents in Calgary that they are being shortchanged on their deposit when they return some of their beer bottles and cans for recycling. I strongly support recycling, and I'm concerned that people will not continue to recycle if they don't get all of their money back. My question is to the Minister of Environment. Do beer bottles fall under the recycling regulation in the province, and if so, why are some people not receiving the full amount of their deposit when they return some of their bottles for recycling?

THE SPEAKER: The hon. minister. We're not looking for legal interpretations.

DR. TAYLOR: I see you want a short response, Mr. Speaker, so I'll give you one. As you know, in Alberta when you buy almost any drink product, you have to pay a recycling fee. In 1972 Alberta brewers were excluded from that fee. Voluntarily some pay. Some don't, and that cost to Albertans is overall about \$4 million a year.

THE SPEAKER: The hon. member.

MR. SHARIFF: Thank you, Mr. Speaker. My first supplementary question is again to the same minister. What, if anything, is Alberta Environment going to do about this situation?

DR. TAYLOR: Well, Mr. Speaker, we're working to change the system in two ways. We're working to change it so that Alberta brewers will have to pay, like any other drink container manufacturers have to pay, and we're working to change it so that Albertans will get their full deposits back.

MR. SHARIFF: Mr. Speaker, I'm very pleased to hear that response.

My final supplementary question is for the same minister. When can Albertans expect to receive the appropriate deposit back, and I mean 100 percent back?

DR. TAYLOR: As I said, we're just working on this, and Albertans can expect to receive their full deposit back on their beer bottles within the next few months.

THE SPEAKER: The hon. Member for Medicine Hat.

Driver Licensing

MR. RENNER: Thank you, Mr. Speaker. As a result of recent media attention regarding the impending implementation of graduated licensing in Alberta, a number of questions have arisen. While most people who have talked to me are pleased with the direction the government is taking, some, particularly professional truck drivers, are concerned that not enough attention is being paid to classifications of drivers. My questions today are to the Minister of Transportation. Was consideration ever given to reviewing the existing structure of licensing beyond the proposed changes for new drivers?

MR. STELMACH: Yes, Mr. Speaker, there was consideration given following a fairly complete survey and polling of Alberta residents. However, to do anything with this particular area would require a

change through neighbouring jurisdictions, and as a result we weren't able to proceed with it.

MR. RENNER: Mr. Speaker, to the same minister: why is it that additional road tests are required for truck drivers and not for drivers of large recreational vehicles such as motor homes and fifth wheel trailers?

MR. STELMACH: The hon. member raises a very good point. In consulting with various stakeholders across the province of Alberta, we know that we have very strict rules for class 5 drivers and up, especially those that are driving larger trucks in the province. The position taken by many of these people was that a person with a class 5 driving a small car can then, of course, buy a larger motor home and tow a boat or a car behind without any additional training or education. That has led to some degree of concern amongst the traveling Alberta public, especially during the summer season, when we have more of the motor homes on Alberta highways. We are working closely with the RV manufacturers and suppliers to see how we can come up with an education/training program and looking at reviewing how we can also put in better driver awareness, having them sit in a vehicle that could be in excess of 60 feet in length.

THE SPEAKER: The hon. member.

MR. RENNER: Thank you. My final question to the same minister. Given that restrictions are placed on probationary drivers under the graduated licensing, is the minister contemplating any restrictions on probationary drivers respecting the operation of large recreational vehicles?

MR. STELMACH: Mr. Speaker, not at this time. Again, if we were to do something different from the neighbouring jurisdictions, it would mean that we would have a unique set of rules for our jurisdiction. As a result, we wouldn't have consistency and harmonization across all jurisdictions, meaning not only our neighbouring provinces but many of the neighbouring states in the United States, from where we have ever increasing numbers of travelers holidaying in the beautiful province of Alberta.

Recognitions

THE SPEAKER: The hon. Member for Calgary-Bow.

SummerActive 2001

MS DeLONG: Thank you, Mr. Speaker. I'm pleased to recognize national Try It Day, which was launched on Friday, May 11, as part of the official SummerActive national program. Last Friday the Minister of Alberta Community Development joined with local schoolchildren, seniors, and others to launch this important campaign, which includes a number of physical and fun-oriented activities. SummerActive 2001, which runs May 11 to June 22, is a cross-government initiative to increase awareness and promote active living. Alberta joins with federal counterparts and local community partners in this campaign to encourage Canadians everywhere to become more physically active for the benefit of their own health.

The message throughout Alberta and Canada is simply to get active and get healthy. All it takes is 60 minutes of light activity accumulated throughout the day. Therefore, I encourage everyone to try it and to become more active, not only during this period but throughout the year.

THE SPEAKER: The hon. Member for Edmonton-Ellerslie.

Vaisakhi Day

MS CARLSON: Thank you, Mr. Speaker. I would like to recognize Vaisakhi Day. On March 29, 1699, Vaisakhi Day, the 10th Guru of the Sikhs, Sri Guru Gobind Singh Ji, baptized five Sikhs belonging to different castes and created the Khalsa order. Immediately afterwards he asked those very Sikhs whom he had baptized to baptize him. By this act he at once removed the caste distinction among the Sikhs as well as the distinction between the Khalsa and the Guru.

The Khalsa completed 302 years of its creation on Vaisakhi Day, April 13, 2001. This is a very special and historic day for the Sikh nation, a nation which focuses on the values of equality, justice, peace, strength, and purity. This day is celebrated each year with a cultural program and youth award ceremony, held this year on May 5, and by a community parade, held on May 12. We would like to recognize the Sikh Federation and the Vaisakhi Celebrations Committee for their commitment and contribution in enriching Canadian culture.

THE SPEAKER: The hon. Member for Calgary-Fort.

Alberta College of Art and Design

MR. CAO: Thank you, Mr. Speaker. I would like to ask my Legislature colleagues to join me in congratulating the graduating class of 2001 of the Alberta College of Art and Design. In acknowledging the valuable support and encouragement from their families, my recognition also goes to the faculty members and board of governors of the college.

Their convocation this year was very exciting since the first-ever bachelor of design degrees from Alberta College of Art and Design were awarded. Out of the 155 graduates 36 were awarded the bachelor of design. The students have pioneered the program, one of only three in Canada and the first in Alberta. This year seven graduates received an award for their excellence from the board of governors, and one outstanding graduate received the award from the Governor General of Canada.

Mr. Speaker, during the convocation reception I met a number of graduates. It is a great feeling to witness the dynamic attitude and the confidence of Alberta students. Financial wealth is needed at times, but what lasts in human civilization is the wealth of culture and art.

THE SPEAKER: The hon. Member for Edmonton-Centre.

Alberta Crime Prevention Week

MS BLAKEMAN: Thank you very much, Mr. Speaker. May 11 to 18 is Alberta Crime Prevention Week. Crime prevention needs to exist on many different levels: personal, household, community, and through civic, provincial, and federal governments. On Friday I attended along with the federal Minister of Justice, colleagues from the Assembly, and others a seminar sponsored by the Edmonton Police Service and featuring Lieutenant Colonel Dave Grossman. Lieutenant Colonel Grossman had an interesting perspective on preventing youth crime and, possibly, adult crime by suggesting that all of us, including the three levels of government, work together to reduce young people's exposure to violent movies, videos, and electronic games.

He feels strongly that this is the conditioning and where young folks are programmed to believe that violence against others is okay and, even more, to practise it through the games. He pointed out that we should be putting as much time and care into violence prevention

in schools as we do into fire prevention in schools. His three-point plan of educate, legislate, and litigate against offenders was a good kickoff to Alberta Crime Prevention Week.

Thank you.

THE SPEAKER: The hon. Member for Cardston-Taber-Warner.

2:40

Stephen Gibbings

MR. JACOBS: Thank you, Mr. Speaker. I would like to acknowledge this afternoon a great Albertan, an educator who has been awarded the province's highest teaching honour. Stephen Gibbings is one of 22 teachers in Alberta to receive a 2001 excellence in teaching award. Specifically, Mr. Gibbings is receiving the Association of Professional Engineers, Geologists and Geophysicists of Alberta's excellence in teaching mathematics and science award.

Mr. Gibbings has been teaching at Cardston high school in the constituency of Cardston-Taber-Warner for the past four years and has been acknowledged by his colleagues as being committed to his students and to providing them with the best learning environment possible. He is married with two children and is an important member of his community, having been involved with both the scouting movement and the Alberta Summer Games. I would like to congratulate Mr. Gibbings on his prestigious award and thank him for his ongoing, selfless service to our youth.

Thank you, Mr. Speaker.

THE SPEAKER: Well, hon. members, today is May 14, and you know, there are still two hockey teams in Alberta participating. So now for the first of the two hockey recognitions, the hon. Member for Red Deer-North.

Red Deer Rebels

MRS. JABLONSKI: Thank you, Mr. Speaker. I am very pleased and proud to announce that the Red Deer Rebels of the Western Hockey League have won the President's Cup as the WHL champions. On Saturday, May 12, the Rebels, who were ranked number 1 in the Canadian Hockey League for the last 11 weeks of the regular season, were led by their owner, general manager, and head coach Brent Sutter to this championship.

The Western Hockey League champions earned the right to represent the WHL in this year's Memorial Cup by defeating the Lethbridge Hurricanes, the Calgary Hitmen, the Swift Current Broncos, and finally the Portland Winter Hawks. During the play-off season the Red Deer Rebels' goaltender, Shane Bendera, set a new Western Hockey League record for most shutouts in one play-off season, with four shutouts. Coached by one of the very best goaltending coaches in the WHL, Andy Nowicki, Shane is a very deserving winner of the most valuable player award of the WHL play-offs.

On Thursday the Red Deer Rebels will travel to Regina for the Memorial Cup tournament. They will battle with the host team, the Regina Pats, Val d'Or of the Quebec Major Junior Hockey League, and either Ottawa or Plymouth of the Ontario Hockey League.

Congratulations to the Red Deer Rebels. We wish them the very best of luck in representing all of Alberta and the WHL in the 2001 Memorial Cup.

THE SPEAKER: The hon. Member for Wetaskiwin-Camrose.

Camrose Kodiaks

MR. JOHNSON: Thank you, Mr. Speaker. Yesterday the Camrose

Kodiaks hockey team defeated Flin Flon Bombers 5-0 in the finals of the Royal Bank Cup national junior A championships in Flin Flon, Manitoba. The Kodiaks became the 2001 national junior A champions by going undefeated in all six games of the national tournament. This is an especially impressive achievement as the Kodiaks are only in their fourth season in the Alberta Junior Hockey League.

Special congratulations go out to all Kodiak players including Erik Lodge, Dan Day, Tyler Bullick, Matt Ponto, Richard Petiot, Mark Robinson, Greg Prusko, Kevin Croxton, Jason Kenyon, Dalyn Fallsheer, Brett Osness, Darrell Stoddard, Brad Wanchulak, James Willis, Craig Perry, Mark Masters, Taggart Desmet, Doug Auchenberg, Jordan Chomack, Mike Melnyk, Mark Szott, Rory Rawlyk, Ryan Edwards, Scott Galenza, Joel Williams, and to the Kodiak coaches and staff: Garry Van Hereweghe, Boris Rybalka, Steve Gotaas, Darrell Heck, Ken Miske, Angie Weddeburn, Dr. Greg Ninian, Jeff Mingo, Dalton Reum, Robert Bettger, Daryl Mills, and Colin Christenson. Our special thanks to all of them.

Congratulations to the Camrose Kodiaks, 2001 Canadian junior A champions.

Orders of the Day

Committee of Supply

[Mr. Tannas in the chair]

THE CHAIRMAN: Good afternoon. I'd like to call the Committee of Supply to order.

Lottery Fund Estimates 2001-02

THE CHAIRMAN: We are considering the lottery fund estimates, and we have a list of various departments that are receiving funds from this source. A reminder to all members that this is not governed by the House leaders' agreement of some weeks ago. It's governed by the regular process. The chair is in the hands of the committee as to whether we want to have various ministers going and have questions back and forth, or would you just like to start at the top and go through? Do we have any direction at all from either side?

MR. STEVENS: I thought I would make a few introductory remarks, if I might, Mr. Chairman.

THE CHAIRMAN: Okay. So it's the Minister of Gaming that's rising. Yes, make your remarks.

MR. STEVENS: Thanks very much. I'm very pleased this afternoon to present the 2001-2002 estimates for the Alberta lottery fund. As you know, the Alberta lottery fund represents the government's total portion of revenue from slot machines, lottery tickets, and video lottery terminals. The Ministry of Gaming co-ordinates payments from the Alberta lottery fund and administers a number of lottery-funded programs. Each year revenue from the Alberta lottery fund is invested in Albertans and in their communities. The fund supports over 8,000 charitable, not-for-profit public and community-based initiatives. These funds help build hockey rinks, playgrounds, and community facilities. They also help fund various health initiatives, cultural events, and volunteer programs.

Through our web site, which can be found at www.gaming.gov.ab.ca, and various other means we inform Albertans of the good works of the lottery fund in an effort to create

awareness and a clear understanding of how lottery fund revenue is collected and distributed. We're achieving that goal through our commitment to openness, transparency, and disclosure.

Gaming revenue for 2001-2002 is forecast to be approximately \$1 billion, an increase of \$62.6 million from last year. Revenue for the 2001-2002 period is projected as follows: \$547 million in VLT revenue, \$308 million in slot revenue, \$154 million in ticket revenue, and \$6 million in interest revenue – once again, for a total of approximately \$1 billion.

Increased gaming revenue means a direct increase in dollars going to the Alberta lottery fund, which means a direct increase in dollars going to Albertans and into their communities. In keeping with the recommendation from the 1998 gaming summit, no gaming revenue was allocated to the general revenue fund. Instead, all gaming revenue continues to flow exclusively into the Alberta lottery fund.

2:50

In addition to supporting community-based projects and programs, the Alberta lottery fund also supports special projects and initiatives administered by the various government ministries. The Alberta lottery fund summary of payments outlines how lottery revenue is to be allocated. Funding for the 2001-2002 period includes: Agriculture, Food, and Rural Development, \$11.6 million; Children's Services, \$1.2 million; Community Development, \$108.5 million; Gaming, \$196.5 million; Health and Wellness, \$84.1 million. Now included in the Health and Wellness figure is the amount of \$45.7 million, which is an operating grant to AADAC, which includes \$3.7 million specifically for problem gambling programs and services. Infrastructure receives \$345 million; Innovation and Science, \$90.8 million; Learning, \$52.2 million; Municipal Affairs, \$12 million; Transportation, \$70 million; and Finance, \$44 million.

Lottery funding to individual ministries is over and above annual ministry budgets and is used for things such as infrastructure projects, school renewal and construction, community facility upgrades, strategic research, and health facility construction.

In addition to ministry allocations, a number of foundations and granting programs also receive their funding dollars from the Alberta lottery fund. Allocations for the 2001-2002 period include: community facility enhancement program, \$25 million; community lottery board program, \$53.3 million; Foundation for the Arts, \$21.1 million; Historical Resources Foundation, \$5.9 million; human rights, citizenship and multiculturalism, \$1.1 million; Sport, Recreation, Parks and Wildlife Foundation, \$15 million; and Wild Rose Foundation, \$6.6 million. These foundations and grant programs are directly responsible for the administration and granting decisions within their mandate.

The Ministry of Gaming is responsible for the community lottery board grant program, which is a program that provides funds for the lottery fund to enhance and enrich project-based community initiatives throughout the province through 88 local community lottery boards. The Ministry of Gaming is also responsible for the community facility enhancement program, which is a matching grant program that provides funds to enhance, expand, and upgrade various community-use facilities throughout the province.

Besides administering these two grant programs – once again, that is the community lottery board grant program and CFEP – Alberta Gaming also allocates lottery revenue to several other initiatives. Through Alberta Gaming the Alberta lottery fund provides funding to the Gaming Research Institute of \$1.5 million, which is overseen by the Gaming Research Council. The institute has numerous projects under way, including research into gambling and its relationship to addiction and personality, preventing relapse in former gamblers, and prevention of pathological gambling. The

institute's second grant application process is currently under way.

The Ministry of Gaming also allocates lottery fund revenue to major fairs and exhibitions of some \$2.7 million throughout Alberta. These events provide opportunities for agricultural and trade exhibits across the province. Edmonton Northlands and the Calgary Exhibition and Stampede also receive lottery funding to help support various community programs and events throughout the year. Each of those organizations receive \$7.1 million.

Alberta Gaming also allocates lottery revenue to support the racing industry renewal initiative in support of Alberta's horse racing industry in the sum of \$17.9 million. Horse racing is an important, agriculturally based industry in our province. It supports numerous small businesses throughout rural Alberta, and thousands of Albertans depend on a viable and competitive horse racing industry for their livelihood.

A portion of the lottery revenue is allocated to other initiatives, which enables government to support new initiatives or merging projects that are deemed to be community priorities. The amount of that particular item is \$11.1 million. Alberta Gaming also allocates lottery fund revenue to lottery operations, a necessary expenditure that represents the cost of managing lottery and gaming network and services throughout the province.

As you can see from the Alberta lottery fund summary of payments for the 2001-2002 period, we are continuing our commitment to maintaining a clear distinction between lottery revenue and other government revenue. Albertans can clearly see where their lottery revenue is invested: in our communities and on projects that enhance the quality of life for all Albertans.

Mr. Chairman, that concludes my opening remarks, and I look forward to the comments, questions, and insight of all members. Thank you.

THE CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. I'm happy to have an opportunity this afternoon to review the lottery estimates. Our expectations for this afternoon are that we will have some questions for the ministers and that they will be responding to those questions at the end of the duration of the time that we'll be talking. We were asked to address agriculture and rural development first, so I will make some opening comments, and then we'll specifically ask questions of that minister.

So I begin. This is an interesting department. It's changed quite a bit over the years, Mr. Chairman. Certainly since the Lotteries Review Committee was undertaken back in 1995, we've seen a huge change in the way lottery dollars are administered in this province. Our concern with lottery revenue funding becoming a cornerstone of provincial funding is that it's gambling revenue and it's used now as a major revenue source for program funding for this province. That is, in fact, quite different from what the original mandate of this particular committee was.

You know, we've had Alberta Lotteries for many years; we've got records back on them from 1994 certainly. In the '95-96 year there was a review done. The Lotteries Review Committee was held in response to the increasing amount of lottery dollars that were being received by the province. The government sent out a committee where they did some fairly extensive consultation. What they had at that time was 462 presentations. They received over 18,500 written responses in the form of letters, discussion papers, and petitions. The government responded to those recommendations in December of 1995, Mr. Chairman, and what they did was confirm at that point in time a fundamental change in the way lotteries and gaming operated in Alberta and ensured that the primary beneficia-

ries of regulated gaming in Alberta would be charitable organizations. So that's the commitment they made back in December of 1995.

Have they kept that commitment, Mr. Chairman? We would say no. This is a discussion that we have every year, and in fact this department has moved a long ways away from their commitment of ensuring that the primary beneficiaries would be charitable organizations. In the '95-96 year the total revenues generated during that time period were, I believe, almost \$71 million. When we take a look at this current year, the fiscal year that we're discussing now, the 2001 year, what's being received now is a ministry revenue of almost \$1.5 billion, a lot of money, a significant increase since that '95 year. My first question to the minister is in fact: why have they moved away from the original mandate of the committee, and why are they ignoring the recommendations of those huge numbers of people who were consulted and felt that they had something to say? In fact the government confirmed that they would be doing what the majority of the people requested in that process. So that would be my first question of this minister.

3:00

The second question in relating to what goes on here ties into the business plans. When I try to relate what was talked about in the '95-96 year to the key strategies and goals of this year, I find that there is little commitment made to this original statement. If we take a look at core business 2 and the key strategies, the first key strategy is: "Review the disbursement of the Alberta Lottery Fund proceeds to ensure all funds are being allocated and expended according to policy and intended use." Yet we don't see laid out in these business plans an explicit policy unless I'm missing it. Could the minister point out where I see the exact policy and intended use laid out? They make general references. What this really appears to be, Mr. Chairman, is a slush fund. They feed whatever particular nonprofit organizations hit the list of the year, it appears, and then go to whatever ministries need or want money for whatever reasons and fund those.

So the question for me is: what is the original intended use of these funds? Is it to be a slush fund? That's not what was talked about as a result of the review that was done in the '95-96 year, yet it seems to be what has evolved in terms of how the lottery funds are allocated throughout this province. So if the Minister of Gaming could answer that for me.

Interestingly enough, too, in those years this department was operated quite differently from now. What we got were partners in Alberta lotteries back in those years, and it was really a division of economic development and tourism, a really small sidebar to that particular department. Now we have a Minister of Gaming. What's that about, Mr. Chairman? Why does the government feel that we need a whole ministry dedicated to slush-fund funding for this government? So if the minister could tell us exactly what his job description is and why the government deemed it necessary to set up a separate ministry with business plans and so on, I would appreciate having that information too.

You know, it says here in this minister's mission statement, Mr. Chairman:

To ensure integrity, transparency, disclosure, public consultation and accountability in Alberta's gaming and liquor industries to achieve the maximum benefit for Albertans.

Well, what we've seen unfold here in the House in question period and certainly in the Justice department over the last few weeks is quite a different story when we talk about gaming and what happened with the Liquor Control Board.

The way this department was designed and in fact acted out, there was a maximum benefit for a very select few people in this province, according to the court records, one for sure, possibly two, perhaps

three, and that seems to be where the maximum benefit is. Perhaps the minister could tell us in some detail what's happened since those years that he feels he can in fact carry out the mission of the department at this time. Integrity, transparency, and disclosure certainly don't seem to be the pillars that one would think they were when you talk about this particular ministry.

There's no integrity in backroom deals, in commissions paid out to a variety of people, in wheeling and dealing to get special preferential treatment. The only transparency in this situation is to the extent that the court documents allow transparency. We've been stonewalled by the Premier for the past two weeks when we talk about any kind of a public inquiry which would in fact give us both disclosure and transparency and to some degree some accountability. So far it seems like only one person's been held accountable in this department, and that person's paying a fine. It sure puts a cloud over the operations of this ministry and the government's operation. So perhaps the minister would like to enlighten us in terms of some of those concerns. It would be very helpful.

Particularly we'd like to know step by step what kinds of processes are in place now to ensure that this particular mission statement can be carried out, because what we've seen in the actual acting out of the ministry would appear to be something quite different, Mr. Chairman. So if he could address that, I would appreciate it. You know, it's a lot of money we're talking about here, over a billion dollars being disbursed in lottery payments, and that means that they have become a mainstream source of revenue for this government. So we have some concerns about that. Was it always the intention of the government to fund programming on gaming revenue? If the minister could answer that.

One other point from his opening comments I would like to address. He said that there was a \$62.6 million increase in revenues from the prior year to this year. That's nearly as much as the total revenue collected in the year that I talked about, the '95-96 year, when they did the public review. That's a huge increase. My question around that is: does the department do any particular studies to find out what kinds of choices people are making when they choose to put their dollars in lottery revenues? Is there any kind of social study or revenue choice study that this department is undertaking to find out the kinds of choices people are making? It seems to me that when I take a look at my constituency, the choices people make for putting gambling revenues on the table is the choice between basic necessities – food, clothing, shelter – for their kids.

We have heard many times from the different studies that we've seen throughout the province that for every dollar you collect in lottery revenue, you pay out three in social costs, be it through social services, through the justice system, through corrective programs for kids who then are disadvantaged at home because there isn't enough cash in the family to meet the basic necessities. My question is: are they doing any studies to track that?

With the significant increases that we're seeing year by year in lottery revenue funding, we know that there's only one taxpayer. We've heard the government talk about that a lot of times. Each taxpayer has one paycheck. That paycheck has to meet a number of requirements, and if they're choosing to take a large percentage of their revenue and apply it to lottery funding, then I'm thinking that the government, who is responsible for collecting this money, should be studying the impact of that.

I know the government in the past has talked about this being disposable income. If we take a look at the average taxpayer or the average citizen in Alberta, we're seeing a higher percentage of revenues being generated by this department than would seem possible from a disposable income perspective. This isn't a case where high wage earners are spending more money. This is an

across-the-board kind of case where more money is coming in lottery revenues.

So, number one, does the minister do any studies to find out which socioeconomic group the increases in yearly revenue funding are coming from and what impact that has on their lifestyles? What percentage of disposable income is being paid in lottery funding and what percentage of nondisposable income, that which ekes into the basic necessities of life? How much is going there?

We hear repeatedly from frontline workers, be they social workers or be they schoolteachers or be they church groups, that we are seeing an increasing number of kids that go to school without mitts, without boots, without lunches, without breakfasts. We see an increased social cost in terms of conflict in the family when the paycheque gets gambled away on Friday night and there's nothing left over to pay the rent.

3:10

I consider myself to be a frontline worker in this instance, because in our constituency office we are dealing with a number of issues and concerns from families who are in direct conflict within the family and within various organizations including school systems because of lack of funding, and a lot of that is directly related to gambling problems within the family. In my constituency there have been three suicides that I know about that have been directly linked to people with gambling addictions.

So while we heard the minister talk in his opening comments about increased funding to deal with addiction problems, I would like more information on that. I'd like to know what stats they have to indicate that the increased funding is necessary. I agree that increased funding is necessary, but what is he basing those decisions on in terms of concrete facts? If we could have that information, it would be very helpful to us.

We've seen a significant change, I think, in addictions over the past five or six years, perhaps 10 years, as gambling has become more prevalent and more accepted and more mainstream in our culture. Can the minister tell us a little bit about what AADAC or other studies have found in terms of the percentage of change, both in terms of the kinds of addiction problems and how much gambling has increased? There must be a percentage on that in comparison to drug and alcohol abuse.

Also, I would like a breakdown, a socioeconomic breakdown if we can, in terms of the dollars being spent but also in terms of age groups and gender. I've seen reports cross my desk in the past talking about the increased problem gambling as an addiction is for young men and how it becomes a bigger problem for women as they age. So if we could get the current information available on those issues, that would be beneficial. I'd certainly like to see that.

We've seen a consolidation of AADAC in the past perhaps two years I think it is. They have moved more of their facilities downtown. There were concerns in the past about that, Mr. Chairman, that a number of people who were using the excellent facilities of AADAC did not want to come downtown where they could be seen and recognized, that they wanted some degree of anonymity out in the communities. Does the minister have any direct information, feedback from people in the organization in terms of whether or not that has helped or hindered the participation levels? Did they see some people fall off in terms of participation? Did it fall off for a little while and then come back to general standards? Feedback on that information.

I don't see those AADAC reports coming across my desk to the same degree as what they used to in terms of some of the real key issues that were talked about and addressed, and I'm wondering why that is. It was good information, Mr. Chairman, and certainly I

appreciated it. So if the minister could respond to that, I would also appreciate that.

I know that the minister of agriculture and rural development had some other commitments, and I was hoping that we could address some of those issues first of all. Since that particular minister is getting some dollars from this program, in fact \$11.62 million, I would like to put those questions on the record while she's here and hopefully get a response to them this afternoon. I'm wondering if the minister can provide a more detailed breakdown of which initiatives and for what purposes these funds will be allocated. What we see here is a lump sum line item, and it doesn't really give us a great deal of detail in terms of what that money is going to be spent on. It just says agricultural initiatives, and we'd like to know the projects, how much money is assigned to each of those. That would all be helpful.

My second question with regard to that, Mr. Chairman, is: are these initiatives going to be in need of ongoing funding? It's a concern for us, when lotteries are deemed to be onetime funding, that there may be an ongoing need. If so, we would ask if it's not better to have these funds go through the general revenue fund rather than lottery funds.

Could the minister provide the criteria by which it's decided that particular programs should come from lottery funding rather than just the general revenue fund? We still don't grasp the way the government is making their decisions in terms of how these dollars are allocated, so it would be helpful if we had that kind of information. I'm sure the minister will be able to provide that information to me.

Thanks. I'll come back a little later with more questions.

MRS. McCLELLAN: Mr. Chairman, I'd be pleased to just speak very briefly to the lottery fund estimates for Agriculture, Food and Rural Development. As was indicated in the estimates, the ministry receives \$11.62 million. That figure is unchanged from last year, and it's divided into two elements: ag society operations and the ag initiatives program. The member asked more specifically about the ag initiatives program, but before I respond to that, I'd like to say that the bulk of this money, \$8.67 million, goes to ag societies, all ag societies that are in good standing. There are some 289 of those ag societies in the province.

The way they use the money is determined in their communities, and the guidelines are fairly flexible. They are allowed to use that money in a way that benefits or enhances rural life and projects that the ag societies themselves might support. The ag societies are certainly made up of local community people. I believe they have to have 50 members to register, if I remember correctly. So I don't think that there's much question about community involvement in how those dollars are used.

The ag initiatives program, which was more the subject of the hon. member's questions, is \$2.95 million. It's project based. It's a grant-matching program. It supports, I would say, agriculturally focused, not-for-profit organizations, and they receive both capital and operational assistance for programs and services that contribute to the improvement of agriculture and rural development. So that would be the broad base of the guidelines.

I'd be pleased to supply the hon. member with the grant criteria in its fullest. I'm surprised that that hasn't been made available to their offices.

The program has been very well received. You would not apply to that same program for the same project for ongoing years normally. The whole of this money can be used to support agricultural marketing, for promotions, extension programs, which are very important in rural areas. It can be used for livestock shows and

sales, demonstration plots, applied research. I'm giving very broad ways that it could be used here just to help the hon. member understand the breadth of the program. It can also be used to assist strong industry associations. It can be used for leadership development and training through support of 4-H and agricultural scholarships. It can be used for board and staff and volunteer training opportunities. So those are some of the areas I can speak to that I know it's used for, but I'd be pleased to give the hon. member more information. It is my understanding that at the end of the program year the lists of who received the money through that ag initiatives grant and what the program was for are available.

I think this is a small amount of support that goes a long way in rural communities so organizations can respond to the needs of the communities they serve. Most of all, all of those moneys, in my view, are dedicated to improvement of those communities.

So with those comments, Mr. Chairman, I'll pass that information on, and I'll certainly review *Hansard* to see if there are any other questions that require an answer.

3:20

THE CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. I'd like to thank the minister for her comments, and I appreciate, certainly, the information that she's going to be sharing with us.

Just a couple of quick follow-up questions on that. The ag societies and the approximate \$8 million: is that ongoing funding? Where did the money come from prior to it being funded through lotteries? On the project base, with the matching grants, where do the other dollars come from? Are they self-generated within the committees themselves?

So those are my questions for this minister, and then I'm looking forward to the Minister of Gaming responding to my other questions.

MRS. McCLELLAN: Mr. Chairman, I would be pleased to do in writing how ag societies are funded, because they are funded by size and activity, so there is a variety of funding levels. It is an annual funding, and as long as the ag society is fulfilling its mandate in the community, they receive their funding.

On the matching grants I'm not sure I totally understood the question, mainly because I just didn't hear some of the words, but it is matching money. The community can use donated labour and equipment and so on, which helps a lot in some of these projects. I will review *Hansard* and make sure that the hon. member has all of the information required from her questions and probably a little more too.

Thank you.

THE CHAIRMAN: Okay.

The chair would like to just ask a question here. Are we going to take these individual votes and vote them as the process goes along, or do you want to leave them open till the end? The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. It was not our expectation to vote them individually. It was our expectation to talk about them generally and to try and highlight some of the ministries first or later but then vote everything at 5:15.

MR. STEVENS: Mr. Chairman, I can confirm that my understanding is the same, that there will be a vote at 5:15 this afternoon after a series of questions and answers.

With respect to some of the points that the hon. member has

raised, firstly, from my perspective the lottery estimates are constructed in accordance with the recommendations coming out of the '98 gaming summit. The recommendation was that the funds from gaming not go into the general revenue fund but go into the Alberta lottery fund – and that is in fact happening – that these moneys go into areas which are clearly above and beyond the basic budgets of departments and that they be spent on things which enhance our communities. Each of the ministers will this afternoon be able to address the specifics relating to their own ministry.

I'd like to just spend a moment going through the matters that specifically deal with the Ministry of Gaming. I think that all members are very familiar with the community lottery board grants. They've been in place for a while now and seem to be receiving some measure of success. The major fairs and exhibitions have been receiving these funds, once again, for some time, and the program has been very effective and has been well supported. I might add that when the hon. member talks about what has been going on over the last five or six years, the matters before 2001-2002, which are before the Assembly this afternoon, either are, in the case of 2000-2001, matters that can come before Public Accounts or, in the case of the years prior to that, are matters which have come before Public Accounts for inquiry by members of the Assembly and so have received scrutiny there. It seems to me also that as it relates to the lottery fund itself, these are matters which are audited by the Auditor General. In many cases there are programs of due diligence which require an explanation by the groups that receive the funds of how they in fact are spent.

Both the Calgary Exhibition and Stampede and Edmonton Northlands are significant in their own communities, and both receive these funds for programs and events on an unconditional basis. In the case of the \$7 million and in the case of the \$100,000 conditionally to support agricultural events throughout the year, there hasn't been any change with respect to those items in the budget.

The community facility enhancement program has been around since October of 1988, some 13 years. We are going into the third year of the fourth iteration of CFEP. This particular three-year program was approved at \$75 million in April of 1999 and has been working well. Most members of the community are supportive of it, and I'm sure the members are aware of the conditions that go along with CFEP funding. I note that in all cases the constituencies of all members of the Assembly are beneficiaries in some measure or another over the past year or two of CFEP grants. So I'm sure that each and every member in this Assembly has some personal experience with that.

The Alberta Gaming Research Institute and the Alberta Gaming Research Council once again go back to a commitment arising out of the '98 gaming summit to ensure that there is research into the social and economic aspects of gaming. This project started in 1999 and in general terms is fairly early on, with something just in excess of \$1.5 million having been placed in funding and with another \$1.5 million in funding going forward.

The line item with respect to Alberta Gaming and Liquor Commission lottery operations relates to the core businesses of the AGLC. There are three core businesses: license and regulate liquor activities, license and regulate charitable gaming activities, and conduct and manage provincial gaming activities, which are VLTs, slots, and tickets. The lottery operations cost of \$70,689,000 supports the cost of the lottery and gaming operations and activities of the AGLC. It does not involve any funds towards the liquor side of the core businesses.

There are increases in the budget there of \$16.1 million to meet certain specific costs, and I'll share with the hon. members what

those are. There are electronic games, new ones, of \$6.3 million. These are gaming terminals. They're available by leasing and will replace existing owned equipment. There's other gaming equipment of \$0.9 million. There is \$4.3 million for operations, which means salaries and benefits, cost increases, and repair and maintenance of equipment.

The ticket lottery network and the system are receiving an additional \$2.8 million. The ticket lottery network and system upgrade was done in conjunction with the Western Canada Lottery Corporation, the WCLC, as all three provinces that are part of that particular corporation were involved in the upgrade of the system, which was completed last year.

There's also some additional funding for First Nations, anticipating that in fact there will be a successful application under the First Nations' gaming policy later this year once the gaming policy review has been completed and all of the rules are in place. Those additional funds are \$1.8 million for casino slots.

3:30

I think it's worth noting that the AGLC services and operations are fully integrated, and by that I mean that licensing, for example, deals with both gaming and liquor activities as do inspections, investigations, revenue, and so on and so forth.

There were a number of questions that the hon. member raised, and they were interesting and far reaching. Certainly I will review *Hansard* to determine what they are, and to the extent that they are relevant and within the scope of inquiry this afternoon, I will get back to you with written answers.

THE CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. I'd like to thank the minister for his further comments and appreciate that he is going to be providing further information for the questions that he didn't answer at this particular point in time. Specifically, I would like you to include in that some detail on what your policy is in terms of funding. I want to compare it to what the outcomes of that review were back in '95-96.

In your comments you made some reference to dollar amounts for prior years really being the purview of the Public Accounts Committee, which I know very well, Mr. Chairman, having sat on that committee for a long while. But the minister knows that these decisions are not made in isolation, that some of them are cumulative in nature, that we have certainly seen some gambling revenue creep over the past few years, and all of that is relevant to decisions that are made now. In fact, he referenced a series of years on CFEP grants. When we bring in information from prior years, particularly financial information, it's because it's relevant to what has happened over the course of the history of the ministry, and we would hope that they take those questions seriously and with that intent in mind when they answer them.

Those are my questions for the time being, Mr. Chairman.

THE CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thanks very much, Mr. Chairman. I appreciate the opportunity to ask some questions about the Gaming estimates this afternoon. I wanted to start off, if I might, with some questions about something that hasn't been covered as far as I can tell in the estimates, and that's on-line gambling and the on-line casinos. I wondered: what information do we have about the impact of on-line gambling on Albertans? Is that part of the information that's gathered, or is it so new that that kind of information wouldn't yet

be factored in when we're looking at problem gamblers?

I noted that on-line wagers on the continent make up about \$13 billion worth of revenue, which is a sizable amount for a rather new industry. I was even further interested in trying to access some of the research on on-line gambling. The access to at least one research site has been hijacked by a casino. When you go onto the Internet to find a particular research study, instead of getting the research study, you get an advertisement for one of the on-line gambling casinos. So my question is: in terms of on-line gambling where is Alberta? Do we offer a licensing of on-line gamblers?

I'm not sure of the legal framework that governs on-line casinos, and I would appreciate any information the minister might have with respect to that. My information is that at least 25 countries offer on-line gambling licences. Again, is that a national or is that a provincial concern in terms of issuing licences? So just some information, if we might, about on-line gambling.

It seems to me that it's going to be very, very difficult to control underage gamblers in any kind of on-line system. I'm not sure how you would go about it. In fact, if there are any regulations governing on-line gambling, how would you go about enforcing them successfully? It seems to be an area that's fraught with difficulties. So I would be interested in receiving information about on-line gambling, Mr. Chairman.

I wanted to ask just a couple of general questions, and then I wanted, if I might be given the opportunity, to address my questions specifically to the lottery funds that have been addressed to education with the minister having the opportunity to answer those questions. In terms of the ministry's office has the result of the creation of the ministry just been the addition of \$1,504,000 of administration to the tax bill? Is that the impact of this ministry in terms of creating a separate ministry and the minister's office? If that's not true, then where did the money come from to create the office?

Within the office itself there's \$192,000 budgeted for communications, and I'd like to know exactly what that communications budget includes. Communications is found throughout the budget estimates. I'm not sure what the total would be if we added them all up, Mr. Chairman, but it would be considerable. I'd be interested in how much replication there is in ministry offices. Is there any kind of co-ordination over all those communication groups, or just what is the status of a communications department or arm within a ministry?

The number of full-time equivalents has increased from 29 to 32: I guess some detail in terms of what is being bought with those additional employees. I've got a couple of other questions, but I can come back to them after, Mr. Chairman.

I'd like to turn to the amounts in the estimates that are allocated to Learning specifically. I start with the Infrastructure program, where there's \$150 million set aside for school facilities and where for postsecondary facilities there's another \$60 million set aside. Those are under Infrastructure. In Learning there's a total of \$52,200,000 that's going to be spent on technology upgrading, some achievement scholarships, Learning Television, transportation subsidies, and high-speed networking. So a fairly substantial piece of money from the lottery fund is being allocated to education. I guess I would question the wisdom of education being funded out of lottery funds.

Looking at some of the research, as I indicated earlier, lottery funds are still a problem for government. The morality of lottery funds and using lottery funds has been problematic right from the beginning. A number of places have had great public debates before they went into the lottery business. I know there are still a number of American states considering entering the lottery field who are having some fairly heated discussions even at the present time.

3:40

One of the strategies used by governments and used by this government to take the heat out of the moral or ethical question is to earmark the funds. That's a strategy that's being used elsewhere and used here, but unlike elsewhere, the most common area that funds have been earmarked for is education. We see in our province that it's becoming increasingly the case that more and more education is being funded from the lottery funds. I find it alarming, and I wonder if we could have some indication from the government in terms of if it poses a similar concern for the government.

Studies elsewhere indicate that where lottery funding is used for education, there is seldom a net fiscal gain for schools. As lottery funds are used for education, nonlottery funds are diverted to other spending. In some states the amount of funding for education out of general revenues has actually dropped as the use of lottery funds has grown.

So it's a concern of mine in terms of relying increasingly on lottery funds for education. Are we setting up a situation where less and less of the budget will actually be allocated for education? That may not be a problem now while lottery funds are plentiful, but I think that, as has been indicated elsewhere, lottery funds are a poor fiscal instrument and tend to promote unsound public policies. I think it's agreed that it's really a poor choice for governments that are wrestling over budget choices.

Is there a concern within government with using lottery funds for education in particular? That would apply to a lesser extent to some of the other areas. I worry that tying school facilities and postsecondary facilities so tightly to lottery funds is going to cause some problems down the road. I know full well, having said that, that those funds are going to be welcomed by boards and universities and institutes that have been so cash strapped in the last number of years. Questioning that money may not be popular, but I think it's a wise thing to do at this point.

I go back to some of the research that indicates that those states that earmark funds out of lotteries for education – and I think there are close to 20 American states right now. It really has in the end not helped education. As I said before, it just frees up other tax dollars to be diverted to other programs, and when lottery funds decline, there's a reluctance on the part of taxpayers to pick up that difference and to adequately fund public education.

Using lotteries as a revenue source for education is being seen as an unstable source. It's also seen as an administratively inefficient way to get revenue, and it's also seen as a form of a regressive tax. So there are many objections to the use of lottery funds for educational purposes.

I'm not sure how that would be borne out in Canada, but certainly south of the border the states that don't have lotteries actually spend a greater percentage of their budget on education, and in those states that do have lotteries, the funding for education has actually decreased. A Saint Mary's College at Notre Dame study concluded:

Regardless of when or where the lottery operated, education spending declined once a state put a lottery into effect. This study indicates that states without lotteries actually maintain and increase their education spending more so than states with lotteries.

I think that's a fair warning to citizens who look at the lottery as relief for education funding in our province. They shouldn't be misled, and like the lotteries themselves, their odds at coming out ahead in this game are rather meagre.

I guess the other thing that happens is the misconception that is left with people that lottery funding looks after education and that the job has been done once those lottery dollars are available. That, again, leads to some difficulty should those lottery funds ever dry up or in any way be curtailed.

I had a number of other questions about the Gaming Commission itself and the control of lotteries. I watched some of the lottery ads, as we all have, I suspect, the odd time on television and not paid too close attention to them. My questions are: what control is exercised over lottery advertising? Is there control that's exercised? Again, the criticism of lottery advertising from elsewhere is that it overemphasizes the chance of winning, that people come away from those ads with the feeling that they actually have a chance, but they don't. The advertising is designed so as to disguise the real odds of winning in one of the lotteries, and they're left with the false notion that somehow or other there's skill involved in taking part in a lottery. I did see an ad to this effect, that somehow or other they'll regret not having played if their numbers come up. So there's this notion that you shouldn't miss playing because you're going to be unhappy if your numbers come up and you haven't placed your bet for that week or bought your lottery ticket.

There is a great deal of information about the impact of lotteries on different segments of our population, and we've had some of that information from the ministry and from AADAC and other agencies, but indications are that there's targeting – and aggressive targeting – to market lotteries to the poor. My question is: is there such targeting done here? The information is that some lotteries time their advertising, for instance, at the time when there are going to be social assistance cheques coming out, when there are going to be pension cheques distributed, or when it's going to be the end of a month or at a time when a number of employees are being paid, again, a specific targeting of lottery advertising to people who are experiencing living in poverty.

3:50

Maybe this is not the place to ask that question, but if it's not, I'd appreciate hearing from the minister in terms of where it should be asked. I think it's an important question, given the role that television plays in our lives.

[Ms Graham in the chair]

Just a couple of other questions, if I might, Madam Chairman. I wanted to go back to the Alberta Gaming Commission. The members of the commission are listed, but can I find out how appointments are made? How do you end up being on the Alberta Gaming and Liquor Commission? What are the legal requirements of appointees? What kinds of background, what kinds of rules and regulations govern their behaviour? There's been some discussion in the Legislature in the past week or 10 days about commission members, but I still don't think it's widely publicized in terms of who those are and how they become members and, in particular, the links with government. Is anyone precluded because of previous involvement with ministries, either as employees of the ministry or consultants to the ministry? So information on the appointment of the commission itself would be of interest.

I think that just about concludes what I had for this first round, Madam Chairman. Thank you very much.

THE ACTING CHAIRMAN: The hon. Minister of Gaming.

MR. STEVENS: Thank you very much, and I thank the hon. member for his questions. I'll try and address some of those questions now if I might.

He started with a question with respect to on-line gaming or Internet gaming: where is Alberta on that particular issue? I can tell the hon. member and all hon. members that Internet gambling continues to be illegal in Canada under the Criminal Code of

Canada, although it's not specifically referred to. I understand that the sections of the Criminal Code that relate to that particular matter are sections 206(1)(a), 206(1)(c), and section 206(4), and obviously the enforcement of Criminal Code offences falls within the mandate of police agencies.

The hon. member is right that there are many such sites outside of Canada. The information I have is that it's estimated that there are more than 1,300 such web sites that offer some form of on-line wagering on the worldwide web, so it is something that is proliferating outside of Canada. It is illegal in this country. Internet gambling is an emerging issue for all provinces, and the AGLC is going to continue along with the Ministry of Gaming looking to the Gaming Research Institute, the Western Canada Lottery Corporation, and the Interprovincial Lottery Corporation to provide update information about the various aspects of Internet gaming. So that is something that this jurisdiction and other provincial jurisdictions in Canada are continuing to monitor and to continue to understand better. At this point in time it is illegal in Canada, so it does not exist.

There were some questions relative to the Ministry of Gaming with respect to communications and things of that nature. The Ministry of Gaming provided its estimates a week ago, and that would have been the appropriate time for those particular types of questions to be asked. I know that many were, and we're in the process of providing answers to those.

There was a series of comments and perhaps questions with respect to the issue of gaming continuing to have a moral aspect to it, and I think that's fair. We have a society that has mixed emotions about this; there's absolutely no doubt about that. But I think the one thing that sets Alberta apart from other jurisdictions in Canada is the fact that we use a charitable model for our gaming. We all know that in another province today there is a plebiscite going on, and in that province the revenue associated with gaming in its entirety goes into the general revenue fund of that province, whereas here that is not the case. All of the gaming proceeds that go to the government, in fact, go into the Alberta lottery fund.

I think what's also important to recognize as part of this is that not-for-profit charitable groups, in addition to the money that they receive pursuant to various grant programs under the Alberta lottery fund, are also the beneficiaries of some approximately \$160 million as a result of being recipients of licences for casinos or bingos or raffles. That is roughly the amount that we can anticipate some 8,000 or so charities receiving in addition to the moneys under the Alberta lottery fund.

The hon. member raised some questions with respect to lottery advertising, and I think there were references to potential problems of misleading advertising or advertising that is targeted to particular groups. I'll look into that further. I'm not aware of that. I haven't had a complaint about it. I believe that the majority if not all of the advertising relative to lotteries per se will be controlled through the Western Canada Lottery Corporation, which is responsible for lotteries in the three western provinces, and that would be Alberta, Manitoba, and Saskatchewan. So it would be there that the advertising is found, and as I said, I will make some inquiry into that, but I'm not aware that that is an issue in this jurisdiction at this time.

With respect to appointments to the board of the Alberta Gaming and Liquor Commission, I can advise the hon. member that the appointments are done by order in council. The members of the commission are citizens at large of Alberta. They are not stakeholders or representatives of liquor or gaming or any aspect of liquor or gaming. They are what I would call normal Albertans, who bring their skill set and their experience to the table to do the business of the board.

With respect to the behaviour governance – and I use those words

because I think those are the words of the hon. member – there is a policy in place that deals with that. It's an extensive policy, and it is a policy that applies to all members of the AGLC and is something that I can provide some additional information on. There is a code of conduct and ethics for the ministry that is contained within the policies and procedures manual of the Ministry of Gaming. That particular document was last issued in its entirety in May of 1998. It has received amendments from time to time, and there was a form of it prior to that point in time. But it goes through a number of areas providing advice with respect to matters such as delegation of authority and general conduct, some instruction relative to sensitive matters like sexual harassment, and in particular it has a provision dealing with conflict of interest. That is very much a part of the rules of the AGLC.

It contains very strict provisions.

4:00

For example, you will find that one of the provisions is that employees must not accept gifts, favours or services which could be viewed as influencing a business or enforcement decision. This includes accepting gifts, travel, accommodations, [et cetera] from any supplier to the AGLC, licensee or agent.

So there is that kind of provision.

There's also a specific provision that says that employees who could be placed in a conflict of interest situation due to the nature of their duties and responsibilities and employees in the Executive Manager and Senior Manager classifications will be required to disclose their outside business interests and financial holdings, on a yearly basis, in writing on a form approved by the Chairman and Chief Executive Officer.

So there is an annual process that is in place and which has been followed relative to this issue.

The AGLC has established a very extensive code of conduct and ethics, and that code of conduct and ethics deals with a number of issues, including the issue of conflict of interest. All employees are made aware of this particular policy, and it is very much in place and operational at this point in time.

Thank you.

THE ACTING CHAIRMAN: Yes. The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thanks, Madam Chairman. I was just going to ask if the Minister of Learning intended to respond at this time.

DR. OBERG: Thank you very much. I'd be pleased to respond at this particular time. First of all, with the lottery funds that we have before us, there are a couple of specific things that deal with Learning, Madam Chairman. First of all, what I would talk about are the scholarships. What we see is that this year the scholarships have increased from \$1.7 million to \$3.1 million. This is in keeping with the budget that was tabled previously. I feel and I'm sure the hon. member across the way feels that scholarships are an extremely important element. This one in specific, I believe, is the Jimmie Condon athletic scholarship, which was increased in value.

The second point that we are looking at is \$8.1 million for Learning Television. Madam Chairman, I think that you know and that everyone in this Legislative Assembly knows the great effect that this has had, going through Learning television, where we have actually been giving courses over the television and will continue to do so. Another important component is that we expand this, and this \$8.1 million will be to expand.

The third component of the \$52 million, Madam Chairman, is the roughly \$40 million that is a transportation subsidy. This is in keeping with transporting students around the province and, indeed,

taking them to school, where their learning can take place.

The last component is \$1 million for high-speed networking. This will pay for the high-speed lines that are going into each and every school in this province, according to the Supernet component. The \$1 million is the start-up amount on this and hopefully will be expanded over the next few years. What we plan to do with this \$1 million is that each school that has the Supernet will be funded to a capacity of 10 megabytes, Madam Chairman. This is what these dollars will be used for. Again, it's extremely important that these things occur.

In general, that's what the dollars will be used for from the Learning budget. Thank you.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thanks, and I thank the minister for his comments, but they weren't in response to my questions. So maybe after the minister has had an opportunity to review *Hansard*, some of those questions might be answered, Madam Chairman.

THE ACTING CHAIRMAN: The hon. Member for Edmonton-Glengarry.

MR. BONNER: Thank you very much, Madam Chairman. I have a few comments and observations and questions that I would like to put forward in our lottery fund estimates here today. I would like to start by looking at the ministry business plan summary. I see here where the vision is:

A province that strives to balance choice and responsibility in its gaming and liquor industries, uses revenue derived from these activities for the benefit of Albertans, and provides opportunity for competition and enhanced services in its liquor and gaming industries.

We look here particularly at core business 1: "Develop provincial gaming and liquor legislation and policy, and regulate the gaming and liquor industries in accordance with legislation and policy." So again I look under core business 1 and see that the goal is that "Alberta gaming and liquor policy achieves a balance between social responsibility and economic benefit to Albertans." I see that our first key strategy here is to "monitor the gaming and liquor industries to identify emerging issues and trends, such as potential growth, and develop policies to address these issues." When we start to talk about this particular key strategy and look at the vision, where we have "a balance," where does that balance occur? Does this balance occur in regards to the amount of dollars that we're taking away from the public in this type of a situation? Is it a percentage of, say, the average income of Albertans that we gauge this balance on? Just what is our determining factor where the balance does occur in the gaming and liquor industries?

When we look at potential growth here, again where is that growth coming from? Is it growth because we are currently in boom times in this province, that there is more money around, the fact that our population continues to expand each year? Or is this potential growth in certainly trying to expand on an individual basis the number of dollars spent per person in the gaming and liquor industries? So if we could have some more clarification as to what is meant here by balance.

Continuing along this line, I notice that we are looking at emerging issues and trends here. When we look at trends, one of my questions would certainly be: in the statistics gathered by the Gaming and Liquor Commission across this province, do they see any sort of trend in those southern communities which are very close

to the Alberta/Montana border, any difference in the amount that they are spending on gambling in Alberta as opposed to, say, communities farther away from any bordering state or province where gambling may occur, if in fact there is a difference there?

Now, as well, in moving along here and looking at performance measures, I see that one of first performance measures in core business 1 is the "percentage of Albertans surveyed who are satisfied with the conduct of the liquor business in Alberta." Again, what we see here are the results tabled in percentages. I also notice that the target for 2001-2002 is 70 percent and the target for 2002-2003 is 75 percent, or an increase of 5 percent, of Albertans who'd be satisfied with the conduct of the liquor business in Alberta. I was wondering what strategies the department is going to be employing in order to increase this satisfaction level. What are going to be the measures to do that, as to how that would be achieved?

4:10

Now, then, when we start using strictly percentages, it also invites many questions as to how this figure of 70 percent was arrived at and how the figure of 75 percent is going to be arrived at for the year 2002-2003. Some of my questions in regards to the use of percentages, whether it be in performance measure 1 or whether we look at performance measure 2, "percentage of Albertans surveyed who are satisfied with the conduct of legal gaming entertainment in Alberta" – again we do see that percentages are used in the second performance measure and also that we do have an increase of 5 percent for the year 2002-2003 over the current year, 2001-2002.

So when we are using these statistics – and the minister can certainly provide these in writing later – how big is the sample that was used in order to determine these percentages? Who was surveyed? What were the guidelines used? Like, did we make certain we had new gamblers or young gamblers and a balance of older gamblers and senior gamblers? What steps were taken to ensure that our sample was not a biased sample? In other words, how many people were interviewed? Where were these interviews taken? Was the sample widespread across the province? You know, how are we certain that this was a representative sample and not a biased sample?

So those are a few questions that I have in regards to core business 1.

The hon. Member for Edmonton-Ellerslie certainly discussed core business 2, so I'd like to skip over here to core business 3, which is to "support leading-edge research on gaming and liquor issues in Alberta." In looking at core business 3, "the Ministry is a partner in leading-edge gaming and liquor research," I see their key strategies here are to "support research into, and inform Albertans of, the social and economic aspects of gaming" and also, in partnership with the Alberta Alcohol and Drug Abuse Commission and the gaming and liquor industries, "ensure consumers of alcohol and gaming products are aware of prevention and treatment programs for problem gambling and alcohol abuse."

Again I see that there is a potential conflict when I look at this performance measure and I look at the key strategy in core business plan 1, where we are looking at such things as potential growth and developing policies to address these issues. So they don't seem to be compatible, these two performance measures, where we're looking at treatment in one case – in doing so, we are recognizing that there is a significant problem with those who are addicted either to the gaming or the liquor aspects – yet at the same time we are looking at seeing how this industry can potentially grow. So my question to the minister would be that in achieving balance between a growth industry and an industry that certainly realizes and looks at the problems some Albertans are having in these two areas, how is this balance achieved?

Also, I look here at both of the performance measures in core

business 3: “the percentage of partners who are satisfied with level of support and cooperation for research prevention and treatment programs”, and the second performance measure, the “percentage of Albertans surveyed who are aware of prevention and treatment programs for problem gambling and alcohol abuse.” We have in this province and have had just some tremendous work done by AADAC over the years. I would think that when we are looking at a target for 2001-2002 in both of these particular areas, we certainly would have been able to establish some type of a baseline and look at being able to establish from that baseline a performance measure which would increase over time and fulfill both of these performance measures.

Now, as well, a question that I think has to be asked at this particular time. There seems to be a great increase in attention being focused on a sport lottery in this province. At this particular time it's focusing, as we understand it, on our two professional hockey teams, the Edmonton Oilers and the Calgary Flames, realizing that both of these franchises do play against teams from the United States and certainly have to take into consideration the fact that they are paying their salaries in American dollars and collecting their moneys in Canadian dollars. There were indications in this House, from questions by the hon. Member for Edmonton-Gold Bar to the former Minister of Gaming, that indeed studies had been undertaken as to the possibility of there being a sport lottery in this province for the purposes that I have discussed. So what I would ask the minister is: if in fact there have been studies, when were those studies carried out?

A second question, of course, would have to be: if those studies have been in fact carried out, would it be possible for him to make those available to us? If in fact these sport lotteries are a serious consideration of this government, would the moneys that are derived from there be going just to the professional teams, or would they also be shared with amateur hockey programs in this province? Would they be shared with all amateur sports groups in this province? What would be some of the ways that the dollars from this would be disbursed?

As well, I have some general questions that I would like to ask the minister. We look at the gaming business plan on page 167, to “review the disbursement of Alberta Lottery Fund proceeds to ensure all funds are being allocated and expended according to policy and intended use.” So for the minister: could he please tell us exactly how this review takes place, what is done when funds are found not to have been allocated according to policy, and what sort of follow-up occurs to ensure that any infractions that have occurred don't occur again? Also to the same minister: can the minister tell us exactly how many funds in 2000-2001 were not “allocated and expended according to policy,” and what sorts of steps his department took to rectify this situation?

4:20

Now, as well, a general question. A number of community groups have certainly taken advantage of the program, the lottery dollars that have been available. Unfortunately, some of those groups have had moneys that members of the organization have stolen and spent. These community organizations have worked so hard for those dollars, and their volunteers certainly don't have the opportunity to get these dollars back easily. So with this seeming to be an ever increasing situation that nonprofit groups are encountering, what has the department done in order to assist these community nonprofit groups in handling their finances in such a manner that it makes the possibility of these funds being stolen much more difficult?

As well, other general questions that I do have for the minister. Will the minister provide a detailed breakdown of exactly how much

of the lottery funds for 2001-2002 are going to programs specifically for people with gambling addictions? Again, certainly a very critical area when we look at this whole issue of gaming, because these are the things that destroy families, that rip them apart, and for the people who do have the addictions, it certainly is a very, very destructive force on them too.

[Mr. Tannas in the chair]

As well, can the minister provide us with any reports or studies his department has done on the use of lottery funds in other jurisdictions? I see in the core business plan that certainly they have looked at other jurisdictions, and they “monitor gaming and liquor policies in other jurisdictions and develop and implement benchmarks and best practices” for that. So if he could please provide us with that.

Could the minister provide us with a listing of lottery fund grants and expenditures by town or city for the 2000-2001 fiscal year? Again, so many nonprofit groups do require these types of grants and expenditures to fund projects in their communities. Otherwise, they could not have any real hope of accomplishing that feat in a realistic period of time.

Another general question I'd like to ask the minister: what are the goals and performance measures with respect to the lottery fund and its administration? Are they simply those applied to the Alberta Gaming and Liquor Commission with respect to collection, distribution, and efficiency, or are there other areas as well?

As well, can the minister explain what role the increasing lottery fund revenue this year, which is over a billion dollars for the first time, plays in his department's current review of licensing and regulations?

Finally, my last general question for this time is: can the minister explain what sort of performance measures are used in assessing the use of lottery fund money for government projects?

So, Mr. Chairman, with those questions I will take my seat, and if the minister wishes to respond to some of those at this time, that would be fine. I realize that some of the other questions might take some time, so thank you.

THE CHAIRMAN: I wonder if the committee would grant consent for a brief reversion to Introduction of Visitors.

[Unanimous consent granted]

Introduction of Visitors (reversion)

MR. SHARIFF: Mr. Chairman, I have great pleasure in introducing to you and through you to members of this Assembly Her Excellency Ms Geetha de Silva, high commissioner for Sri Lanka. Sri Lanka is about one-third the size of Alberta and has a population of 16 million people. Sri Lanka means the land of wealth. Alberta is home to some 2,000 people whose origin or ancestry is from Sri Lanka. The first female ever to be elected to any parliament was from Sri Lanka, the former Prime Minister Sirima Bandaranaike. This is Her Excellency's first visit to our beautiful province. She attended the annual Sri Lanka banquet in Calgary on Saturday, May 12, and will be meeting with Edmontonians of Sri Lankan origin today. This morning she met with the Calgary Chamber of Commerce and has had courtesy visits with the hon. Speaker and the hon. Minister for International and Intergovernmental Relations. I request Her Excellency Ms Geetha de Silva to please rise and receive the traditional warm welcome of this Assembly.

Lottery Fund Estimates 2001-02

(continued)

THE CHAIRMAN: The hon. Minister of Gaming.

MR. STEVENS: Thanks, Mr. Chairman, and thank you to the hon. member for his wide-ranging perspective on this matter. I think, like the previous member who was making comment, many of the questions may properly have been asked last week when the ministry plan was under consideration. Of course there were many questions asked at that time. Those answers are in the process of being addressed, and we will be responding in writing. I can tell the hon. member that those questions that are responsive to the matters before us today will be answered to the extent that I don't answer them verbally here.

With respect to the issue of growth, generally speaking the growth of revenue from gaming has kept pace with the growth of revenue in government, generally at 4 percent annually. The things that I note, without knowing what the details may be, are that our province's GDP has been growing annually and the number of people who have been coming to this province because of the Alberta advantage has been growing annually. So I would imagine it's a combination of those two factors in large measure, but we will give further consideration to that particular question of the hon. member.

In terms of a balance, I think that can be answered in a number of ways. But one can go back to the '98 gaming summit and the comments and recommendations that came out of that, and I think one has to have those present in their mind. The hon. member is undoubtedly aware that the AGLC is currently conducting a gaming licence policy review. That was basically announced, I believe, in late '99 and started in early 2000 and is ongoing. The fact is that that particular policy review is in large measure going on because Alberta's gaming industry has grown and matured, and there is without a doubt interest within our community at large in expanding gaming in this province, but there's also definitely an interest in assessing the social and economic costs and benefits of gaming.

So those are the kinds of things that one has to take into account in the context of balance when considering a gaming policy. This particular review is ongoing. It is anticipated that it will be completed sometime this summer. Obviously, matters are going to remain in status quo until we get that policy in place, and it will dictate where we go from here. It seems to me that a balance of the various interests within our community on this issue will be part of that process.

4:30

There was a comment and perhaps a question with respect to the proposal for a sports lottery or an NHL lottery. That is an issue that has been raised from time to time by the NHL teams that we have in this province, the Calgary Flames and the Edmonton Oilers. As the hon. member is aware, those are small-market teams. As you pointed out, they pay salaries in U.S. dollars, and the exchange rate is not favourable to us at this time or for some time. I believe both teams continue to lose money on an annual basis, notwithstanding what appears from the outside to be a prudent approach to managing their teams' budgets at the low end of the scale in the NHL hierarchy. So it's not like they're big spenders – I think they're at the other end of that particular scale – yet they're having difficulty.

This is a proposal that they put forward. It is something that we have said we will take a look at. We are looking at it as a work in progress, and it is something that accordingly is not finalized. We don't know what it may look like in the end result, other than the fact that what is under consideration at this point in time is something like a 50-50. The hon. member is undoubtedly aware that

those types of raffles are held at many sporting events, whether they're baseball or football or hockey. But this would be on a provincewide basis and would typically see the winner receiving half of the amount and the other half being available for distribution to the NHL teams and perhaps some aspect of amateur sport, net of expenses associated with this, and it would be done on, say, a weekly basis. It would be an ongoing thing.

The NHL teams in Alberta have indicated that they are looking to surviving in our marketplace for another three years, so they can get to the year 2004, when I understand the players' collective bargaining agreement comes up for renewal. At that point in time they will be able to address perhaps some of the fundamental issues which have created the situation they find themselves in. But it's a work in progress at this point in time, and when I know more about it, the hon. member will also.

THE CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman. I was going to have the rest of my remarks relate to the Ministry of Health and Wellness. They'll be short remarks. I just want some more detail on the information that's provided for us here. So I'll go through them quickly, and if we can get the minister to respond, that would be excellent. We see a fair amount of money being dedicated to Health and Wellness. In this particular instance what I'm looking for is a bigger breakdown of the dollars that we have here.

There's a decrease in dollars to Alberta Wellnet this year, so if the minister could explain to us why the decrease when there's been fairly consistent funding from lottery funding over the past couple of years in that area.

In the health innovation fund we're seeing the funding cut in half, so if we could have some details on what the dollars are being spent on and the rationale for the decrease in funding there, it would be helpful.

In the Alberta Alcohol and Drug Abuse Commission we're seeing a significant leap in funding there. If the minister could provide a more detailed breakdown of the funds going to AADAC, specifically what we'd like to know is how much of the funds are being targeted towards initiatives and projects dealing with the effects of gambling addictions. So hopefully we can get that in writing at some point in the future, that degree of detail and the projects they're working on. That would be helpful.

Aboriginal health strategies. We see an increase in funding there. Once again, specifically what are those dollars for?

The wellness initiative significantly decreased over the prior year. Why? What's happening there?

The practitioner services is quite interesting too. That's an increase in funding there. Last year was the first year that funding came from lottery fundings there. So if we could get a breakdown of those dollars and if we could get some information on what the alternative compensation strategies are and how the funding breaks down for each one of those, that would be helpful.

Also, the federal nursing stations and seeing an increase there when in fact less dollars were spent than had been budgeted in the prior year. So more information on that. If he could give us a rough overview of that, that would be helpful at this point.

MR. MAR: Mr. Chairman, I will, as requested by the hon. member, review this and provide her with written responses to be able to provide the more detailed parts of my responses to her questions. In broad terms I can say that good money is being spent from lottery funds to provide good programs within the Department of Health and Wellness. I can outline some of them in broad terms.

For example, Mr. Chairman, on the issue of Alberta Wellnet some \$13 million is being allocated. The hon. member asked why that was a reduction from previous years, and of course the program is in a different stage of development right now. I can say that a key direction for the current fiscal year will be to continue to work on some things that have been initiated already, such as delivering information technology solutions that support the department and health system partners to improve effectiveness of population health programs such as newborn metabolic screening, breast cancer screening, cervical cancer screening, and pathology lab reports.

We are working on the preparation of a new strategic plan to fully integrate telehealth into the health system. Also, Mr. Chairman, we are piloting the pharmaceutical information network. That is to build active medication profiles for patients, and that will be piloted in selected physician clinics, pharmacies, and health facilities starting late in 2001.

On the issue of alternate compensation strategies, some \$12.35 million, those have been allocated to the alternate compensation plan for physicians. Those funds are provided to encourage physicians to develop and implement innovative and comprehensive multi- and interdisciplinary methods of delivering health services. Examples of this, Mr. Chairman, would include the Associate Medical Centre in Taber and the community-based women's health services for women at risk.

On aboriginal health strategies, Mr. Chairman, some \$3 million. Examples of projects that are being funded under the aboriginal health strategy project fund are the creation of a mobile urban street team to provide service and support to street people in downtown Lethbridge in addressing issues that affect their quality of life and also the continuation of an aboriginal liaison worker to work with RHA staff on such preventative initiatives as discharged patient follow-up, Head Start programs, and suicide prevention initiatives. Also, there is support for an aboriginal diabetes wellness program. This program is designed to offer the choice of traditional or western methods of wellness and provide information to help aboriginal people live and function well with diabetes. Also, annual funding of \$200,000 is provided for the aboriginal health careers bursary.

4:40

The federal nursing stations, Mr. Chairman. There are three stations, located at Hay Lakes, Fort Chipewyan, and Fox Lake. Lottery funds in the amount of \$2.66 million are provided to federally operated nursing stations. This program reflects the costs incurred by Albertans in receiving medical treatment at these nursing stations serving remote northern communities.

For the health innovation fund, Mr. Chairman, the total allotted for the fund in 2001-2002 is \$10.8 million, of which \$5 million is supported by lotteries. These funds are provided to health authorities and help other providers to seek new and innovative ways of maintaining the health of Albertans and in delivering health services in the most effective and efficient ways possible. To date I can report that there are some 48 projects that have received funding, and of this total the Capital health authority has been sponsored for 13 projects and the CRHA for eight projects.

Some of the projects for the innovation fund I think are notable. First of all, the formation of a child asthma network to improve the system of services available for children and their families affected by asthma. Also, the development of a partnership between public health nurses in the Calgary region and social workers from the Calgary Rocky View child and family services authority. Also, Mr. Chairman, a community-based project to provide physician-supervised, pharmacist-managed service to prevent blood-clotting disorders such as stroke. Also, a project to demonstrate the potential

in using companion animals in the treatment of individuals with mental illness. Another such project is the provision of outreach services to serve the needs of individuals with fetal alcohol syndrome, their families, and the communities in which they live. Finally, another example is a pilot project to provide prescription drugs and education at no cost to the homeless and working poor who have little or no access to prescription drugs.

The Alberta wellness initiative, Mr. Chairman, some \$1.85 million. These funds will be provided to regional health authorities for child health initiatives. The funds can be used within the following parameters: to enhance initiatives to improve the health of children and youth, and to support collaboration of partnerships relating to children and youth that the regional health authority or other organizations are already involved with. Examples include school health initiatives such as Safe and Caring Schools; initiatives to reduce adolescent risk behaviours with partners such as schools, municipalities, and AADAC; and prenatal and parenting programs such as partnerships with the Canadian prenatal nutrition program and the community action program for children.

Finally, Mr. Chairman, the Alberta Alcohol and Drug Abuse Commission, or AADAC. Some \$45.699 million of lottery funds in that amount are directed to support the operations of AADAC. AADAC is a nonprofit Crown agency that assists Albertans in achieving a life free from the abuse of alcohol, other drugs, and gambling through residential and nonresidential treatment and education/prevention services. I think the good work of AADAC is well known to members of this Assembly. Examples of the programs offered through AADAC include problem gaming programs, youth programs aimed at prevention and treatment of addictions, and intensive day-treatment programs. In 2001-2002 there will be an emphasis on youth and the development of innovative partnerships.

Thank you, Mr. Chairman. Again, I will review the *Hansard* for further detail that may be provided.

THE CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you, Mr. Chairman, and thank you to the minister. I've one follow-up question. Some very interesting programs and initiatives and strategies outlined there. I'm wondering if the minister could share with us what the criteria are for evaluating these strategies and initiatives and determining success or progress and whether or not funding would be ongoing in some of those areas.

MR. MAR: Well, I think that, in general terms, Mr. Chairman, we are always interested in results and not simply reporting on activities and programs. All such programs will be evaluated for their success, as are all programs provided by the Department of Health and Wellness. With respect to the specific measurements from various programs, I'll be happy to provide that by written response.

THE CHAIRMAN: The hon. Member for Edmonton-Ellerslie.

MS CARLSON: Thank you. I'm hoping that those progress reports or the criteria by which you evaluate them would individually be available after the fact. To the extent that you can share them with us, I would hope that we would see them being tabled or otherwise provided to members in the future. So those are my comments for Health and Wellness.

I'd like to move on to Transportation now, Mr. Chairman, if I could. Just a few questions here. We see in the water management infrastructure that the same number of dollars are being expended from lottery funding this year as last year. So if the minister could

explain to us how this \$20 million relates to the goal of the fund to support charitable, nonprofit public and community-based initiatives, we would be very grateful, because it doesn't seem to fit into that particular mandate. We'd like to see it funded better, I think through sustainable general revenue funds. So if he could comment on that, and particularly exactly what's being accomplished there would be important for us to know.

We see an original \$50 million coming from the Canada/Alberta infrastructure program. We'd like to know, once again, how this fits with the mandate of the organization and also exactly what's being done there. I'm sure the minister has some information that he'd share with us on that particular area.

Interestingly enough, there is no funding this year for the north/south trade corridor. If I'm correct, I don't think that's done yet. So how is it being funded? If the minister could share that information with us, which is also the case for the Alberta cities transportation partnerships. I didn't know that that was onetime funding being allocated last year. I must be incorrect in my assumption there, so if the minister could talk a little bit about that, it would be helpful to us.

Now I'd like to go to the Auditor General's report, Mr. Chairman, if I could, for some general comments on gaming. The Auditor General last year I think made an interesting comment and a significant comment in his report when he talked about this ministry facing "a number of significant risks" in terms of the balancing act that they have to do and the broad responsibilities facing them in terms of "monitoring compliance with liquor, gaming and tobacco laws and agreements." What he recommended was that

the Commission improve its administration of bingo, casino, and pull ticket licences [and that they] assess the effectiveness of its Gaming Licensing Division by linking business objectives to measurable targets and indicators. These recommendations were accepted and [his] staff continues to monitor the Commission's progress in this area.

So if the minister could comment for me in terms of the progress that they are making. Will we see this listed again as an area maybe not of concern but certainly of interest, necessitating review by the Auditor General? That would be helpful to us.

I want to spend just a couple of minutes on the racing industry renewal initiative and find out from the minister what progress has been made there. We see some interesting comments being made by the Auditor General last year when he talks about the responsibility the government has to regulate horse racing and how it "has been delegated to the Alberta Racing Corporation" and some concerns in terms of legislative noncompliance. He talks about the agreements under the casino gaming terminal program and "amounts paid to the Alberta Racing Corporation . . . and racetrack operators in excess of normal retailer commissions" and that these "do not comply with legislation." Has that been brought up to date? What in fact has been done to solve that issue for the future? Have any of those funds been recovered? I guess that's the extent of my questions there.

4:50

We do see that the Auditor General last year came up with a major recommendation, recommendation 15, where they recommended an appropriate accountability system to determine whether public resources provided to the horse racing industry have been spent for the intended purposes and have achieved their objectives.

That's a fairly significant recommendation and is certainly a reflection, I think, on how this particular industry spent their dollars and their lack, I would believe, of due diligence by the ministry in seeing that this industry actually spent the dollars in accordance with practices that were not in compliance. So could he comment on that and what's happened?

The AG goes on to talk about contractual framework not providing adequate accountability, that there wasn't a "clear agreement on the terms of the grant program," and that there are "several problems that the agreements to date have failed to prevent or rectify." So an update on that is important. Have they developed new agreements, and do they address previous weaknesses, Mr. Chairman? If he could talk about that.

There's another major recommendation in the AG's report, and that's number 16 where they talk about the ministry taking "appropriate steps to hold the Alberta Racing Corporation accountable for the performance of its delegated responsibilities." So, once again, pretty significant. He goes on to talk about: the accountability to the Assembly "is partially met through the filing of the Corporation's annual report." It's interesting that some of these other matters weren't met. There seems to be some conflict there in terms of the corporation resisting "attempts by the Ministry to direct how it should spend the resources." Have those been resolved? Could we have those detailed? Are there any issues still outstanding on that? Why is this corporation's business plan not public information when they're getting dollars from the government? Why isn't it updated annually for changing circumstances? We hope that that's not the case now, Mr. Chairman, and that the minister has undertaken and in fact has been successful in providing changes in that area.

We see also that the AG talks about their critical success factors not reported and that "key results are not presented in relation to measurable targets." That particular issue is not solely the mandate of this area. We see this same kind of problem in many of the ministries. Nevertheless, it's a big issue, and we would hope that that has been corrected and would expect an update from the minister on that.

Also, are the activities of the independent appeals tribunal now being reported? They weren't in the past, and the AG said that they should be.

So if the minister could address those accountability issues and we get some feedback on Transportation, I think that will conclude my questions for today, Mr. Chairman.

THE CHAIRMAN: The hon. Minister of Gaming.

MR. STEVENS: Thanks very much, Mr. Chairman. With respect to the last series of questions relating to the Alberta Racing Corporation, I'd like to make a couple of comments at this time. The hon. member, as have other hon. members in asking questions about this matter, has referred to the Auditor General's report, and in particular they've referred to the comments that the Auditor General had regarding his concerns regarding the racing industry renewal initiative.

It is true that the Auditor General has made those statements in his report. What never seem to be included in the hon. members' comments are the full comments of the Auditor General which deal with the corrective action that was taken by the ministry. I would have thought that in being fair about this, hon. members would want to be more inclusive of their comments regarding what the Auditor General had to say, but they have not been. So I will take the opportunity at this time to correct the record, because as the hon. members often say, there are many people in Alberta who are listening to us as we speak here. Of course, there are those who don't get the opportunity to listen, who spend their evenings reading *Hansard* in detail, and I'm sure that they will have some good times reading this debate.

The Auditor General specifically had this to say in his 1999-2000 report at page 114. This, once again, is captioned: "The Commission has taken several steps to address my concerns." So it seems to me that this is pretty clear.

The Commission has since taken the following actions:

- Effective September 11, 2000, the agreements with the Alberta Racing Corporation and the racetrack operators were terminated.
- New agreements are being negotiated with the racetrack operators, providing them a commission rate of 15% consistent with the rate paid to all other operators of slot machines and video lottery terminals in the Province.
- Future payments to subsidize racetrack operating and capital costs and to supplement horse racing purses are to be made to racetrack operators from the Lottery Fund through an annual appropriation approved by the Legislature.

The Auditor General then goes on to say after making those very, very specific comments, and I think this is a very salient point that the Auditor General makes:

I am satisfied that these actions will bring future payments under the Racing Industry Renewal Initiative into compliance with the provisions of the Gaming and Liquor Act.

Those things were available to the hon. members if they had turned from page 113 to page 114 to see that in fact some things had been done.

With respect to accountability, I can advise the hon. member that in September of 2000 the agreements that were the subject of some concern were terminated, and new agreements were entered into. As a result of those new agreements, a new set of accountability with respect to the proceeds is in place. So accountability has very much been addressed. To my knowledge, the Auditor General and his staff are satisfied with what the commission is doing with respect to the concerns that have been raised regarding the racing industry renewal initiative. There were some other questions that the hon. member raised relative to this, and we will review *Hansard* and provide some response.

Thank you, Mr. Chairman.

THE CHAIRMAN: The hon. Member for Edmonton-Mill Woods.

DR. MASSEY: Thank you, Mr. Chairman. I guess I'd start with taking exception to the comments of the minister about the work of the committee and in fact our work in the Legislature in the evenings. I think that most Albertans may not be listening to the debate or reading *Hansard*, but that doesn't in any way mean that they aren't interested or mean that they don't charge us with the task of scrutinizing these budgets and these estimates. I think we've heard this now from two ministers, the same kind of demeaning comments about the Legislature, and I think they're unworthy of a minister.

I'd like to, if I may, ask two questions specifically of the minister. One has to do with costs. Is there any estimate of the costs incurred by policing in the province with regards to the regulation and policing of lotteries, and are there costs that are incurred by the Attorney General's office that can be attributed to gaming or to the administration of lottery regulations and laws? We see the costs of the gaming control board here. Are there other costs that aren't being accounted for and could be attributed to the lotteries in the province? So that's one question.

5:00

The second one is the attention that is paid to underage adolescents as they are involved in the lottery business. I ask that question given, again, some information that has come out of the States showing that a high percentage of underage adolescents actually play lotteries and that lottery retailers in many American states are very relaxed in terms of enforcing age regulations. There was a case of an operation that saw a 16-year-old girl who was successful in purchasing lottery tickets from 49 of 50 Illinois lottery retailers. In Massachusetts there were minors as young as nine years of age that

were able to purchase lottery tickets, and that occurred 80 percent of the times that they tried it. A sting operation in Massachusetts found that 6 percent of minors were able to place bets on games there. One further one in Massachusetts, a study of 2,000 minors, found that 47 percent of seventh graders have already purchased lottery tickets.

I wonder if there is any monitoring of adolescents' involvement in lotteries and their purchase of tickets and if that information might serve as a need for education programs or some preventive work before it becomes a major problem. So those were sort of two questions addressed to the minister.

I have some specifics in terms of the Department of Innovation and Science, and I thought I'd like to ask those while the minister is available to answer. In particular, there's a line item under Innovation and Science that has \$8,588,000 going to the Alberta Agricultural Research Institute. I can understand why that's there, but why just the Alberta Agricultural Research Institute and not the Alberta Energy Research Institute or the Alberta Forestry Research Institute? Why is that specific institute drawing funds from the lottery fund at this time? Are they included under one of the other line items, the research investments program or the strategic research initiatives? If the minister could clarify that point, I'd be interested.

The \$50 million, of course, into the Alberta Supernet is a major investment. I've had, thanks to the minister's goodwill and kindness, a bit of a conversation in his office about this program and agree with the intent to try to wire the province as being a good project. But I wonder why it's being funded out of the lottery fund. Is it just because it's seen as a onetime spending item? Given the state of technology and communications technology, I can't believe that this isn't going to be an ongoing expense. Does it legitimately belong as a lottery fund disbursement?

Could we have, from the same minister, the look ahead in terms of the Alberta Supernet? I think we touched on this in a previous conversation. He was confident that what was being done was the right way to go. I think we talked briefly about wireless technology and where it may be taking us. Is the minister still confident that the investment in the Alberta Supernet is going to be a good investment five and 10 years down the road, or will the evergreening problem be one that we have to face?

There are a number of items that are listed: the strategic research initiatives and the research investments program. I wonder if we could have a bit of a description of what those two programs involve as far as lottery dollars are concerned.

So those are my questions about Innovation and Science and the lottery fund allocations to that department, Mr. Chairman.

I wondered if I might ask, then, some questions about the lottery funds allocated to the Learning department. The minister earlier this afternoon spoke briefly about the achievement scholarships and how worthy they are. I couldn't agree more that those scholarships, that money is needed and is of benefit to Albertans, but my concern again is having that fund, having those dollars set aside in a lottery fund as a onetime investment. The experience with other scholarship programs in the province like the heritage scholarships is that they are long-term investments, that they have to be well financed over a long period of time, and that they certainly don't fit the onetime funding category. So, again, I'm not questioning the money for the scholarships, but why in this part of the budget? By placing it here, does that relieve the department from putting those sums in their budget proper and on an ongoing basis?

The Learning Television money, the estimate before us, is for \$8.1 million, a good piece of money. Is this again seen as long-term funding that will come out of lottery funds? What are the projections down the road in terms of where Learning Television is going given the advancements in the Internet and other technologies? If

we could have some explanation of what the \$8 million buys. It's not a lot of money when we compare it to some of the other technology investments the government has in this budget.

The Transportation subsidies are rather interesting. The 2001-2002 estimate is \$40 million. The 2000-2001 preliminary actual was \$20 million, and the 2000-2001 estimate was \$20 million. I guess I seek some explanation as to why there's a 100 percent increase in funding from the lotteries over that time period. I guess I would wonder why there's such an increase. Again, what is it being used for in terms of transportation that warrants it or would support it being a onetime request of the lottery fund?

I have a couple of questions, Mr. Chairman, about Children's Services. There are two items there. There's a million dollars set aside for the fetal alcohol initiative. We've discussed this in the Legislature. It's been the subject of question period in previous years. It's money I think that's, again, well budgeted and sorely needed, but again the question remains: should it be here, or should it be budgeted out of the Children's Services budget proper?

The second item is the permanency planning for children in care. We had the Children's Services department estimates up last week, and there was a considerable amount of time spent on permanent placements for children in care and the criticisms from the Children's Advocate that indicated that this is an area that has been a constant problem: finding permanent, adequate placements for children in care. If it's been a problem that's perennial, why would we see this money here. Again, I'm not saying that the \$200,000 shouldn't be supported, but I do question financing it from a fund that is not supposed to be ongoing in terms of those projects. It's badly needed, if we're to believe the Children's Advocate that planning and the placement of those children is really extremely important. So I support it, but again I question why it's here.

I had one further comment, but I can't locate it in my notes right now. So with those comments I'll conclude. Thanks, Mr. Chairman.

5:10

THE CHAIRMAN: The hon. minister.

MR. STEVENS: Thank you, Mr. Chairman. I'd just like to make a couple of comments. The hon. member raised a couple of issues with respect to what I would call the general issue of gaming integrity. I can tell all members that the AGLC has an active enforcement program and prosecutes all criminal activity at licensed gaming venues. In doing this, there is the involvement of others, and that is because illegal gaming activities at licensed gaming venues are the responsibility of the AGLC. Illegal gaming activities outside licensed gaming venues are the responsibility of the police. So illegal poker clubs, for example, Internet gaming, unlicensed raffles, and things of that nature are the responsibility of the police. The AGLC works in co-operation with the police to exchange information on illegal gaming. So there is that overlap with other organizations.

In fact, for example, you have a situation where the RCMP are also involved in some cases because the RCMP are responsible for enforcing the money laundering act. There are some rules relative to the purchase of \$10,000 or more of chips at a casino within 24 hours that brings in the application of that act, so there is a relationship between the investigation group at the AGLC and the RCMP. There is an overlap and there is close co-operation between those groups. I'm proud to say that the integrity of the Alberta gaming industry is without question on a very, very high level.

There was also a reference to youth and gaming problems. I noticed with interest that the hon. member referred to an American report. If the member has any information with respect to a problem

here in Alberta, I'd like to hear about that, because it has not been brought forward to my attention. We will provide some specifics relative to this issue in addressing that question more fully when we provide a written answer.

I believe, Mr. Chairman, that the time is 5:15.

THE CHAIRMAN: After considering the proposed lottery estimates, are you ready for the vote?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Okay.

Agreed to:	
Agriculture, Food and Rural Development	\$11,620,000
Children's Services	\$1,200,000
Community Development	\$108,544,000
Gaming	\$196,451,000
Health and Wellness	\$84,065,000
Infrastructure	\$345,000,000
Innovation and Science	\$90,838,000
Learning	\$52,200,000
Municipal Affairs	\$12,000,000
Transportation	\$70,000,000
Finance	\$44,031,000
Total Lottery Fund Payments	\$1,015,949,000

THE CHAIRMAN: Shall the vote be reported? Are you agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Carried.

The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Chairman. I would move that the Committee of Supply rise and report and beg leave to sit again.

[Motion carried]

[The Deputy Speaker in the chair]

THE DEPUTY SPEAKER: The hon. Member for Calgary-Lougheed.

MS GRAHAM: Thank you, Mr. Speaker. The Committee of Supply has had under consideration certain resolutions, reports as follows, and requests leave to sit again.

Resolved that a sum not exceeding the following be granted to Her Majesty for the fiscal year ending March 31, 2002, from the lottery fund for the following departments: Agriculture, Food and Rural Development, \$11,620,000; Children's Services, \$1,200,000; Community Development, \$108,544,000; Finance, \$44,031,000; Gaming, \$196,451,000; Health and Wellness, \$84,065,000; Infrastructure, \$345,000,000; Innovation and Science, \$90,838,000; Learning \$52,200,000; Municipal Affairs, \$12,000,000; Transportation, \$70,000,000; Total Lottery Fund Payments, \$1,015,949,000.

5:20

THE DEPUTY SPEAKER: Does the Assembly concur in this report?

HON. MEMBERS: Agreed.

THE DEPUTY SPEAKER: Opposed? So ordered.
The hon. Government House Leader.

MR. HANCOCK: Thank you, Mr. Speaker. I move that we call it 5:30 and adjourn until 8 o'clock p.m., at which time we reconvene in Committee of Supply.

THE DEPUTY SPEAKER: The hon. Government House Leader has moved that the Assembly do now adjourn until 8 this evening and

that when we do meet again, we do so in Committee of Supply. All those in support of this motion, please say aye.

HON. MEMBERS: Aye.

THE DEPUTY SPEAKER: Opposed, please say no. Carried.

[Pursuant to Standing Order 4 the Assembly adjourned at 5:21 p.m.]